



Annette Zimmer, Patrick Hoemke, Joachim Benedikt Pahl and Christina Rentzsch (eds.)

RESILIENT ORGANIZATIONS

IN THE THIRD SECTOR



PROFESSIONALIZED MEMBERSHIP ASSOCIATIONS

SOCIAL ENTERPRISES

MODERN HYBRIDS



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FOREWORD

ENGAGED STAKEHOLDERS AS A CENTRAL PIECE IN ACADEMIC RESEARCH COMMUNICATION: THE SUCCESSFUL CASE OF THE TSI PROJECT

Communicating the result of international comparative research should be at the core of any new consortium forming around any newly EU-funded initiative. And yet, it is seldom truly achieved. There are numerous barriers to disseminating research; some are endogenous (e.g. lack of appropriate planning, limited stakeholder participation, no expertise in science communication, insufficient commitment from consortium members) and some exogenous (e.g. reduced flexibility, little understanding in terms of needs, lack of time). The truth is that there are few social science projects that continue to be discussed by concerned stakeholders even just a few months after its ending date.

This is not the case of the Third Sector Impact project (TSI), which ended in February 2017 and yet continues to be talked about by the stakeholders it successfully engaged over three years. The TSI project was carried out by a consortium bringing together researchers and experts from 12 European countries, working together to deliver insights on the specific contributions of the third sector to well-being and socio-economic development in Europe, to propose new statistical measures to capture this impact, and to point out the barriers that Third Sector Organisations (TSO) are facing today. During this process partners met with 80 stakeholders representing third sector and policy community at national levels, and consulted and debated with 17 umbrella organisations actively lobbying on behalf of diverse communities at European level. Doing such work entails several challenges: interdisciplinary work provokes discussions on methodologies and language; different national traditions and public definitions of third

sector vs. social economy demands compromise in proposing a viable European definition; most partners need to work and discuss in a foreign language; there is geographical distance between in the face of time pressure; and there is always the question of “what comes after this initial effort”? It is fair to say that the TSI project, apart from the academic contributions, has been successful in building a timebound active community, amongst the core group of research partners, but also with the many stakeholders who contributed valuable insights, participated in events, and stayed in touch beyond the scope of the project. We had excellent meetings with consortium members in the great cities of Aix-en-Provence, Dubrovnik, Rome, and Stockholm that created ties beyond research interests. Pictures and articles on the TSI website, as well as the humorous tone of the TSI film (<https://thirdsectorimpact.eu/>) bear witness to that. Meetings with EU-networks and policy makers in Brussels, but also with national stakeholders from different countries in Rome and during our final event, provided a sense of being member of a larger community in Europe that is facing many similar obstacles. It is by pointing out those similarities that make third sector research such an important task, in terms of building knowledge, connecting multiple stakeholders, and making recommendations for policy.

Guaranteeing good communication flows in such a diverse community with such different time frames and even languages is always a challenge. Indeed, ensuring that stock is taken from previous research and that impact is maintained beyond the formal closing of the

project constitutes an obstacle for consolidating the impact of research within the European Research Area. It seems to not be enough to have ad hoc multidisciplinary consortia coming together if no forum exists afterward where project participants can meet and build on initial impetus and learned lessons. Discipline-based fora are certainly needed but real spaces where real communities can meet should not be limited to three or four-year contracts. This is the gap that the EMES Network (www.emes.net) aims to fill with regard to research related to third sector, social and solidarity economy and social enterprise. In the framework of TSI, EMES had the pleasure to design and implement the stakeholders' engagement strategy with a solid combination of methods, channels and participants that went beyond the formal duration of the proj-

ect. As a matter of fact, the TSI website (<https://thirdsectorimpact.eu/>) continues to be accessible thanks to the commitment of EMES as a way to ensure that the huge engagement effort outlined above on the part of researchers and various stakeholders continues to be relevant. Hosting this e-book on the EMES website underlines what we stand for: bringing together researchers and other critical stakeholders to carry out and promote research on third sector, social and solidarity economy and social enterprise, and making sure that research results do reach active communities over time. This contribution to a bidirectional transmission of knowledge sustained over time is our commitment and the only way whereby we can state that research has the potential of benefitting society at large.

Madrid/Berlin, 14th September 2018

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**THIRD SECTOR
ORGANIZATIONS
IN EUROPE
COPING WITH
CHANGED
ENVIRONMENTS**

1. INTRODUCTION

1.1 What's it All About?

How do nonprofit organizations manage to survive? How are they able to adapt to changed environments without losing their distinctiveness? Fifteen case studies of nonprofit organizations operating across Europe tell us a story of how to make ends meet. The cases presented, identified and analyzed in the framework of the European Union-funded research project Third Sector Impact (TSI) (Enjolras et al. 2018)¹, are organizations that are confronted with an increasingly hostile environment in terms of the availability of resources and co-operation with government. Some of them, particularly those in Southern Europe and in the U.K., suffer from austerity politics and financial cutbacks; some are struggling for recognition on the part of the general public or the government. This is still the case especially in post-socialist countries. The goal of this e-book is to highlight that, despite the fact that third sector organizations (TSOs) are currently confronted with a thoroughly changed environment, they continue contributing to the well-being of citizens in Europe through their innovativeness and by providing services as well as avenues for active participation. The book focuses on case studies of organizations that managed to find a way to adapt to a significantly changed organizational environment by alluding to the power of resilience.

The book is divided into two parts. In the introductory part, we describe major societal, economic and political trends that have over recent decades influenced the environment in which TSOs work in Europe. We focus on TSOs that exhibit the following features: They are “organizations (formal or informal), pri-

vate, self-governed, non-compulsory and totally or significantly limited from distributing any surplus they earn to investors, members, or others” (Salamon/Sokolowski 2016, 2014). Moreover, TSOs are characterized as “hybrids” in the sense that they have never exclusively followed just one “logic of action” (Evers 2007; Brandsen 2005, 2011; Seibel 2015); instead they have always been intertwined with the community (solidarity), the market (competition) and the state (utilitarianism), each of which stands for a particular mode of governance and legitimacy (Thornton et al. 2012; Skelcher/Smith 2015). As such, TSOs are doubtlessly “open systems” (Scott 1981) that are dependent on their environment in terms of resources, regulations and legitimacy. As any organization, TSOs are forced to adapt to radical changes in their environment that result from social, economic and political trends.

In this introductory chapter, these trends are described and highlighted. In addition, the chapter briefly traces the changes to the TSO environment and policy arenas influenced by the European Union (EU) directly through its funding streams and indirectly through its impact on policy development within the Union, which is often characterized as Europeanization. Finally, the introductory chapter provides an overview of the contours of the EU-funded Third Sector Impact project, the countries and policy fields covered, and key results, particularly relating to the hurdles and barriers with which TSOs all over Europe have to struggle the most.

The second part of the book encompasses a collection of case studies show-

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¹ <http://thirdsectorimpact.eu>

ing how TSOs active in the TSI project countries and working in different policy fields – more specifically, in social services, sports, and arts and culture – are coping with a changed environment in Europe that increasingly calls for new ways of providing services, addressing competition, working with volunteers and struggling for legitimacy. Part II starts out with a description of “ideal types” of TSOs, embedded in Europe’s long history of civic engagement and voluntary activity, that, due to recent developments, are forced to adapt to changed organizational environments by moving away from their core characteristics without giving up their identity. They achieve this by embarking on strategies of resilience, the key components of which consist of efficiency in governance and management and hence managerialism (Hvenmark 2016;

Meyer et al. 2013). However, as our case studies clearly show, although TSOs across Europe have shifted considerably in the direction of becoming more and more business-like in terms of their governance, the logic of the corporation is not the only one that guides their day-to-day routines and that provides legitimacy within their organizational field. The case studies tell the story that combining different institutional logics (Ocasio et al. 2017) in an effective and efficient way constitutes the key to success. This means that becoming resilient translates into being an efficiently managed, hybrid TSO. The case studies provide a fascinating picture of what this means in selected countries and diverse policy fields.

1.2 Europe ‘s Changed Environment for TSOs

Two decades ago, the future looked bright for the European Union. Central and Eastern European countries, cut off from the dynamic and societal developments in the West since the Second World War, were integrated into the EU which now consists of more than 20 member states. Covering a territory of more 1,600,000 square miles and with a population of over 510 million, the EU ranks among the largest political entities in the world. Furthermore, since its early beginnings in the 1950s, the European Union stands for a unique approach of building on both the logic of the market and a diverse cultural heritage that is embedded in and made sustainable by strong civil societies and their TSOs (Osborne 2011; Evers/Laville 2004; Zimmer/Priller 2004; Enjolras et al. 2018).

Indeed, there are many reasons why the third sector throughout Europe can

boast of a remarkable success story in terms of economic growth, co-operation with governments, and civic engagement. First, the unique position of TSOs between the “market” and the “state” allows TSOs to combine the best of these two worlds: the entrepreneurial spirit and energy of the market with the orientation towards the common weal and public good that is generally associated with the state. When governments started to modernize the public sector and looked for appropriate partners in the provision of social services, many of them such as the U.K. opted in favor of TSOs. “Re-inventing government” was the new trend in public administration at that time (Freise et al. 2015), and politicians as well as policy experts perceived TSOs as being ideal partners for the provision of public and particularly welfare-related social services.

Second, TSOs are very often the off-

spring of social movements that came into being when the movement started to institutionalize by turning into a new and legitimate social and political force (Staggenborg 2013; Johnston/Noakes 2005). The ecological movement led to the foundation of many TSOs in numerous countries. But also the self-help movement and the women's movement gave way to the founding of thousands of TSOs (Salamon 1994).

Third, the shift from an industrial to a service economy was accompanied by increased societal affluence. Compared to former decades, both blue-collar and white-collar workers had increasingly more leisure time at their disposal that was at least partly invested in activities closely affiliated with TSOs. As a result, the popularity of membership-based TSOs, such as sport or hobby clubs, increased significantly and translated into a remarkable growth of the sector in terms of the number of organizations. In the same vein, foundations became more and more popular since private wealth had been growing due to Europe's peaceful development after World War II. Furthermore, the third sector in Europe benefitted from the "third wave of democratization" (Huntington 1991). In Spain and Portugal, suppressive authoritarian regimes that had reigned for more than 40 years finally came to an end in the mid-1970s, giving way to a re-integration of the Mediterranean countries into a democratic Europe. Both countries joined the European Union in 1986 (Dedman 2010). The end of the Soviet Union and the resulting breakdown of socialist rule in Eastern Europe constituted a further milestone for third sector development in Europe. There is no doubt that in the 1990s a "global associational revolution" (Salamon 1994) took place in the countries of the former Soviet bloc. The new freedom of being legally allowed to join together and to form social groups or TSOs was heavily used and put to work

by social activists and former dissidents all over Eastern Europe (Mansfeldova et al. 2004).

Today, the general picture of the EU seems far less promising (Castells 2018). In many European countries, political stability and the reputation of the Union are put into question through the growth of populist parties. The financial, economic and fiscal crises beginning in 2008 led to skyrocketing unemployment rates in many European countries, in particular in the Mediterranean and in Eastern Europe. Indeed, the Euro hardly managed to survive the economic crisis of 2008. Among the affluent countries in Central and Northern Europe, calls to leave the EU are increasingly gaining followers. There are many reasons why this is the case. Instead of providing jobs and employment, particularly for the youth of Europe, the EU tries to cure the economic downturn through fiscal constraints and austerity politics. There is an increasing divide between the affluent countries in North and Central Europe and those in Southern and Eastern Europe that have been heavily affected by both the economic and fiscal crises and the EU's and national governments' austerity policies.

Against this background, it is questionable whether the success story of the third sector in Europe is going to continue. It is also increasingly unclear whether the third sector is able to provide an alternative compared to the competing sectors, in particular to the "market" and its for-profit enterprises that have developed into the guiding lights in Europe and throughout the world (Crouch 2011). Furthermore, it is uncertain whether TSOs in Europe are in a position to manage the decisive changes of their environment that are an outcome of both global trends and genuine European developments.

1.3 Drivers of Change: Megatrends

One megatrend with a significant societal impact worldwide is commonly referred to as individualization. Particularly in Europe, where social bonds, originally tied to the family or the clan, were extended in the 19th century to a wider social context, indeed a “social milieu” of like-minded citizens, individualization has translated literally into the erosion of these milieus. For decades, citizens in Europe were born into a distinctive social milieu which was normatively embedded and defined as either being close to the “left” or to the “conservative / right” side of the political spectrum. Until very recently, many European countries were characterized by the divide between these two normative camps or pillars, structured and bound together through TSOs that also served as transmission belts into the world of politics. The classic Italian movie “Don Camillo and Peppone”¹ alluded to the functioning of the two distinctive camps: the priest Don Camillo was the figurehead of the conservative camp and Peppone, the local leader of the Marxist party, the protagonist of the left camp. With the very few exceptions of those countries in the North and West of Europe (Scandinavia and the U.K.) where the Catholic Church had not played an influential societal and political role in modern times, this particular social divide served as the normative underpinning of both the structuring of the third sector and the belonging of citizens to particular, camp-specific TSOs (e.g. Aerts 2013). Against this background of normatively divided societies, the notion and concept of “membership” as a synonym for belongingness and lifelong commitment to a specific social camp developed in many European countries. And the voluntary association or the “Verein” as a third sector and

distinctively membership-based organization turned into the central carrier of this concept. Nowadays alongside the erosion of these traditional social milieus in Europe, citizens are increasingly less inclined to sign on for lifelong membership and commitment to TSOs (More-Hollerweger / Rameder 2013).

Another megatrend deeply affecting the third sector in Europe and around the world is commonly referred to as globalization. Globalization has contributed to the growth of the sector, linked in part to a boom in the creation of TSOs with international scope such as Amnesty International, Greenpeace and many others that are active in humanitarian aid or environmental issues (Joachim 2014). At the same time, the globalization of some TSO activities has led to the greater professionalization of TSO management, which has become increasingly like that of for-profit companies. Over time, efficiency considerations have developed into guiding principles for TSO management.

The travelling of ideas and concepts did not stop at national borders; on the contrary, the “new generation” of TSOs that no longer build on the notion of membership and reciprocity is highly welcomed by the younger generations in Europe whose members seem to be less and less inclined to join or support the sector’s more traditional organizations. They also no longer perceive themselves as being primarily members; instead, they underline the notion of “supporters” or networkers who support the ideas and projects of TSOs through various kinds of voluntary engagement ranging from signing petitions to donating money (Skocpol 2003).

² https://en.wikipedia.org/wiki/Don_Camillo

Finally, neo-liberalism constitutes a further megatrend. Indeed, in the 1990s, the third sector profited from neo-liberal thinking. The dismantling of the welfare state and especially the privatization of social service production in the 1980s and 1990s opened windows of opportunity for TSOs. Eventually, numerous TSOs became core partners of governments in social service provision in many European countries, most prominently in the U.K. but also in the developing welfare states of the Mediterranean and post-socialist countries in the South and East of Europe (Kramer 1993; Salmon 2002; Zimmer/Priller 2004).

But, times have changed. The second wave of privatization no longer works in favor of TSOs; on the contrary, all over Europe, private commercial providers of public services compete increasingly with TSOs. Today, governments are more likely to sign a service contract with a commercial provider than with a third sector one. The reasons TSOs no longer enjoy preferential treatment are manifold. However, what counts most prominently is the very fact that neo-liberalism has somehow developed into “a way of life”. Originally a resurgence of classic economics and laissez faire capitalism with a strong preference for market co-ordination, the core premise of neo-liberalism that the market

and hence competition constitutes the most effective way to solve problems has made inroads into every segment of our lives. Accordingly, the search for effectiveness and efficiency has developed into the driving force of our time. This megatrend not only affects the business or market sector and thus the organization of the workplace, but it also has a deep impact on our personal lives (Crouch 2011). There is an increasing societal tendency for everyone to want to get the most out of everything, be it personal relations, which used to be called friendship, or volunteering or giving. Neo-liberalism as a societal trend and way of life translates into a situation in which TSOs have to constantly prove that they are worth the investment of time and money and that they are able to guarantee a significant “social return on investment”. However, exclusively thinking in numbers and constantly marketing oneself as being simply the best and most efficient provider of services is just not the way third sector organizations function and operate. All in all, many TSOs, particularly more traditional ones, encounter significant difficulties in adapting to this changed environment. As discussed next, the European Union and especially the European Commission also contribute to the new culture inspired by neo-liberalism.

1.4 Adding the EU to the Picture

The impact of the European Union on the third sector in its member states is multi-faceted, ranging from direct financial to indirect cultural influences. For sure, the EU has a direct monetary impact on the sector via grants and contracts. The significance of its role in the development of the sector in the new member states in Eastern and Southern Europe before accession is without question. In the accession states, the

EU’s PHARE program with its focus on supporting social cohesion paved the way for grassroots initiatives and small and local TSOs. Currently, especially TSOs which are active in post-socialist countries and countries in Southern Europe benefit from the EU’s cohesion policy, a key investment policy whose main tools are the European Regional Development Fund (ERDF) and the European Social Fund (ESF, also common-

ly known as the Structural Fund) (Venables 2014).

A further, however, indirect impact on the sector is closely related to regulation and hence to the EU's overall political agenda of fostering competition between different providers of goods and services within the European Union as a single market. In this respect, the EU has indeed been a driving force since the early beginnings of the Common Market. The EU has always pushed in the direction of competitiveness and has always worked in favor of a primarily market-driven integration process (Boje/Potucek 2011). In particular, the development of the Commission's Directive on Services of General Economic Interest was the subject of much dispute some two decades ago (Zimmer et al. 2009: 33; Kendall et al. 2009: 358). In its original contours the Directive directly jeopardized the corporatist model of third sector embeddedness in European countries such as Austria, Germany and the Netherlands that have relied on a long tradition of close co-operation between government and third sector organizations in numerous policy fields. Under the Directive, TSOs active in core welfare domains – in social and health services – were to be treated on equal footing with commercial or for-profit providers. In the end, the Directive was watered down in such a way that the specific role of TSOs active in social services was finally acknowledged. TSOs successfully argued that they were distinct from for-profit providers because they work close to their communities, which is evidenced by the many volunteers engaged locally in the provision of social services delivered by TSOs. In parallel with the enactment of the Directive in the EU member states, in-

struments of new public management were introduced that had a deep and lasting influence on third sector–government relationships.

Also of note – and the subject of heated debate – is the impact of the so-called “European third sector community” that consists of third sector umbrella organizations operating in Brussels (Kendall 2009; Johansson/Kalm 2015; Zimmer/Hoemke 2016). These umbrella organizations are supported and to a large extent financed by the European Commission, which often even creates such organizations itself. The European TSOs, as they are frequently called, work as lobbyists on behalf of the sector and its constituencies in Brussels in close contact with the Brussels policy machinery, the Commission, the Parliament and the various interdepartmental groups. The TSO community in Brussels – somehow in a position of dependence due to EU funding – has a low profile and seems mainly to serve a useful function for the EU's policy machine by providing expertise as well as legitimacy for selected policies initiated by the Commission. However, TSOs active in Brussels are not at all in a position to significantly influence the agenda or address major topics which are key concerns of the EU and directly and indirectly impinge TSOs' fortunes. To conclude: Although the EU does not have a direct impact on TSOs in Europe, except to some extent via funding, the EU exercises a significant influence on the environment of TSOs in Europe. However, current megatrends as well as the influence of the EU impact play out quite differently in the various regions of Europe due to the heterogeneity and diversity of TSO embeddedness.

1.5 Heterogeneity of the Third Sector in Europe

Analyzing the embeddedness of TSOs and developing patterns of TSO–government relationships has been a key concern of scholarly investigation since the beginning of third sector research (Zimmer 2010). For sure, the third sector, entrepreneurial capitalism and the welfare state are all products of modernity and have developed in parallel since the 19th century (Katz/Sachße 1996). However, modernization took very different routes in various parts of Europe. In some countries, TSOs were heavily integrated into the developing modern welfare state (Anheier/Seibel 2001).

This is particularly the case in countries where from the start of welfare state development governments co-operated closely with TSOs in core welfare domains. Such co-operation had the goal of integrating and simultaneously pacifying TSOs belonging to different social milieus, most prominently the left (Marxist and social democratic) and the right/conservative (Catholic) milieu (Zimmer 1999). With good reason, these countries are grouped together and characterized as “welfare partnership countries” (Enjolras et al. 2018).

Table 1: Grouping of TSI Countries by Pattern of Third Sector Development

Model	Countries
Liberal	UK
Welfare partnership	Netherlands, Germany, France, Austria (rural areas)
Social democratic	Norway, Austria (urban areas)
Statist	Poland, Croatia, Spain*

Source - Salamon et al 2017

In other countries where the right–left divide was less pronounced and a state church was in power, the pioneering work of TSOs, particularly in the social domain, was taken over by and large by government and hence public entities. In the Scandinavian countries, many TSOs were converted into public institutions as part of the development of the modern welfare state (Knudsen/Rothstein 1994; Lundström/Wijkström 1997). However, this does not mean that the government crowded out the third sector. To the contrary, citizens of the Nordic countries continue even today to favor civic engagement and volunteering (Sivesind/Selle 2010; Dekker 2013; Thräghardt 2007; Wijkström/Zimmer 2011; Zimmer 2013).

Civic engagement is also quite pronounced in the welfare partnership countries of Central Europe, such as Austria, Germany and the Netherlands, where government did not take over TSOs engaged in social service provision as the welfare state developed further. These countries epitomize a very complex pattern of third sector–government relationships: The sector is divided into two groups: one, a highly subsidized set of TSOs that operate in the core welfare domain and are financed through government and / or insurance payments; and two, TSOs that are active in sports and leisure or the arts and culture, mainly based on volunteering, and financed through a mix of revenues such as earned income, sponsorship, donations and membership dues. Hence,

there are two third sectors in these countries: one operating close to the government and one closer to the civil society (Evers/Zimmer 2010).

Compared to the relatively high levels of civic activity in the welfare partnership countries, citizens in the South and East of Europe are far less inclined to be engaged in the sector. The reasons this is the case are closely connected to the legacy of history in these parts of Europe.

In the case of East Europe, societies were trapped for centuries in conditions of outright colonization. As described by Mate Szabo, an expert on third sector development in East Europe, “civil society went underground staging opposition against powerful states” (Szabo 2004: 79) that were hindering democratization and obstructing civic participation throughout the 19th century. More recently, East European countries have all passed through a period of socialism and of quasi-sovereignty within the Soviet sphere of influence. This resulted in the virtual marginalization, if not liquidation, of third sector activities, particularly in the social welfare domain. At the same time, citizens were almost forced to join and be active in so-called mass organizations that were only formally independent TSOs. De facto the communist party heavily controlled these organizations that were active in sports, arts and culture, and other leisure activities. Even after the end of Soviet dominance, the third sector in East Europe has faced many difficulties. Citizens who were forced to volunteer for decades are not likely to become active supporters of third sector activities. Moreover, in some countries it took years until a legal framework was in place. And governments were unsure whether they should co-operate with TSOs in the welfare domain (Rymsza 2013; Juros et al. 2004).

Finally, the low rates of participation and active engagement in third sector activities in the Mediterranean countries and the South of Europe are commonly related to local culture and tradition that placed strong emphasis on family duties and provided little room for private third sector activities (Barbetta 1997; Borzaga 2004; Franzoni 2014). Beyond that, however, Southern European countries are quite diverse culturally. Some countries, such as Croatia, are still heavily influenced by both the legacy of foreign (Austrian) dominance in the 19th century and the heritage of socialism, albeit of a type that was distinct from Soviet rule in the 20th century. On the other hand, some countries in the South of Europe share a strong common cultural tradition of private nonprofit social service provision, which was put in place by the Catholic Church and its affiliated organizations, particularly those such as kindergartens and hospitals offering welfare services (Ruiz Olabuenaga 1999; Barbetta 1997). After the end of authoritarian rule, particularly in Spain, governments started to revitalize this heritage and to co-operate to some degree with TSOs affiliated with or under the umbrella of the Catholic Church. Finally, some Mediterranean countries share a cultural and political tradition of anarchism that favored alternative modes of doing business (Defourney et al. 2014). A social economy comprised of co-operatives and mutuals distinguishes third sector activities in some Mediterranean countries from the rest. Indeed, Spain and Italy, as well as France, constitute textbook examples of this tradition (Archambault 1996; Barbetta 1997). In these countries, the sector is not primarily perceived as a sphere of voluntary activity and interest representation as it is in Scandinavia, nor do these countries share the legacy of a strong government–third sector relationship that constitutes a key element of the welfare partnership countries. Instead, the third sector in Southern Eu-

rope carries strong features of the social economy and provides avenues for doing business differently.

Amid the heterogeneity of third sector activities in Europe, one key concern of the TSI project was to investigate how TSOs cope with current changes in their

environment: How do they manage not only to survive but also to hold on to their distinctiveness? The case studies conducted under the framework of the project provide a fascinating picture of Europe's resilient third sector universe.

2. THE TSI PROJECT

2.1 The Issue

Identifying and analyzing examples of practices that enable TSOs to tackle the current challenges and successfully adapt to a changed organizational environment were key features of the EU-funded research project Third Sector Impact (TSI). Under the guidance of the Institute for Social Research Oslo, a consortium of social scientists from universities and research institutes across Europe³ took a closer look at the third sector in Europe. TSI's goal was threefold: First, to provide a statistical overview of the sector that reflects the historical legacy and specificity of third sector organizations in Europe; second, to unpack the meaning of "impact" by

researching the difference that the sector makes for European citizens in terms of provision of services, societal integration and individual well-being; and third, to identify the challenges currently facing the sector in Europe and the pathways of resilience European TSOs are following to address them. Working papers and reports are available on the project's website: <http://thirdsectorimpact.eu>.

The results of the project are summarized in the open access volume "The Third Sector As A Renewable Source for Europe: Concepts, Impacts, Challenges and Opportunities" (Enjolras et al. 2018)⁴.

2.2 Project Countries

Due to both the size of the sector in Europe and the heterogeneity of its organizations, it was not possible for the research consortium to cover every European country and every policy field in which TSOs are active. The scope had to

be narrowed keeping in mind the different historical legacies of third sector development in Europe and the various modes of co-operation between TSOs government, market and civil society specific to particular policy fields. In the

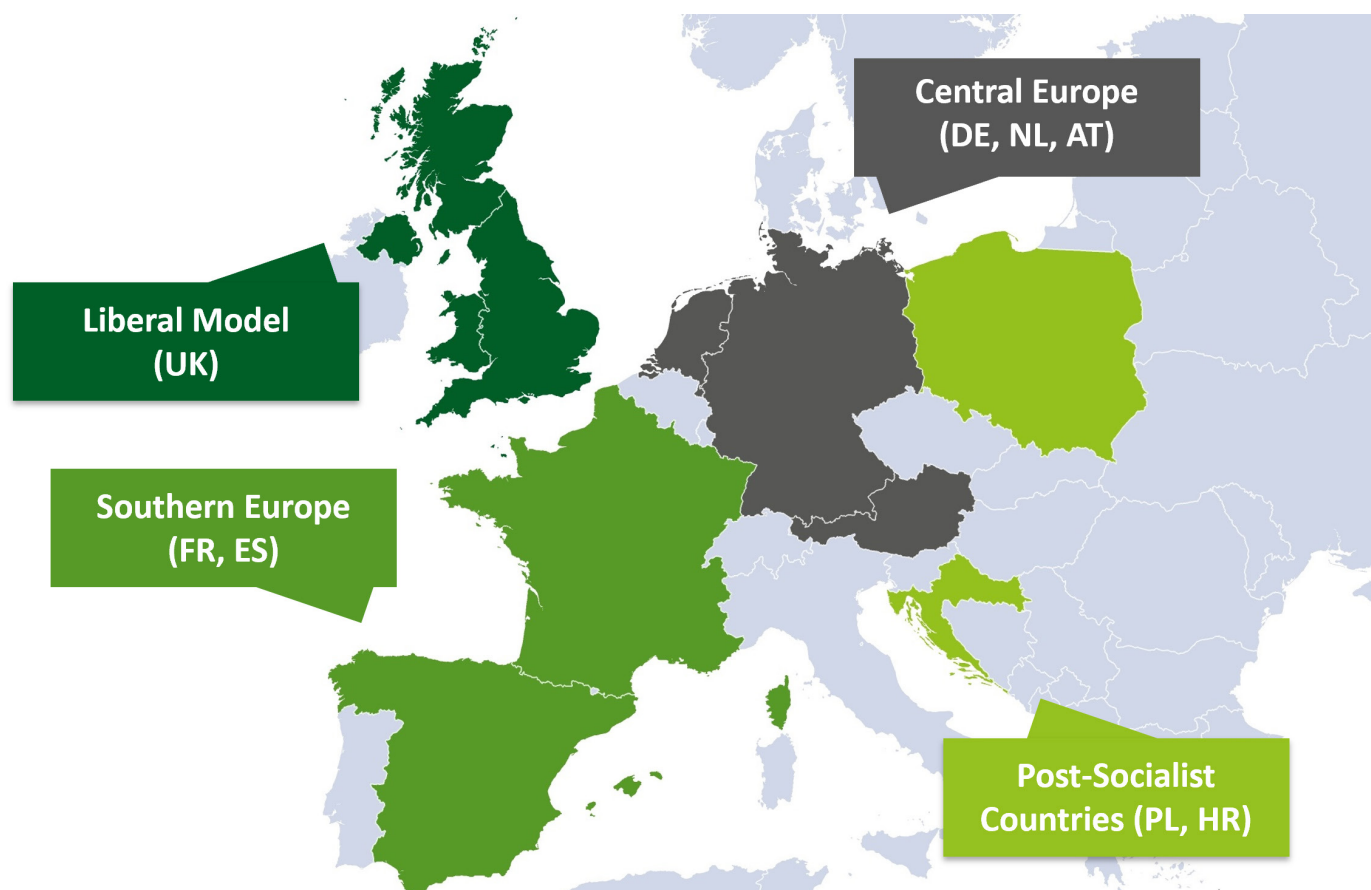
³ Vienna University of Economics and Business, Institute for Social Research, Oslo, Johns Hopkins University, School of Advanced International Studies (SAIS) Bologna Center, University of Kent, School of Social Policy, Sociology and Social Research, Westfälische Wilhelms-Universität Münster, Department of Political Science, Third Sector Research Centre - The University of Birmingham, Radboud University Nijmegen, Department of Political Science and Public Administration, EMES European Research Network, Aix-Marseille University- The Institute of Labour Economics and Industrial Sociology (LEST- CNRS), The University of Valencia, University of Zagreb, Institute for Social Policy, Warsaw University, SPES – Associazione Promozione e Solidarietà.

⁴ <https://link.springer.com/book/10.1007/978-3-319-71473-8>

end, the consortium limited its research activities to selected policy fields – social services, arts and culture, and sports – and it opted in favor of a regional ap-

proach with a strong focus on eight continental European countries: Austria, Croatia, France, Germany, the Netherlands, Poland, Spain, and the U.K.

Graph 1: TSI Countries



Austria, Germany and the Netherlands stand out for their regional proximity and fit within a cluster of “welfare partnership countries”. Close co-operation with government and, more specifically, the welfare state still constitutes a prominent characteristic of TSOs operating in these countries and particularly in the welfare domain as social service providers. However, the megatrends of individualization combined with a new culture of public management, in particular the introduction of market instruments into the welfare domain, has significantly changed the environment of TSO social service providers. In a nutshell: TSOs are treated on par with for-profit enterprises in the growing

markets of social services (Brandsen/Pape 2016; Simsa et al. 2015; Hoemke et al. 2016).

Croatia and Poland form a different cluster of countries which continues to suffer from the legacy of an authoritarian past that hindered civic engagement, giving and volunteering. Furthermore, government is still reluctant to co-operate with TSOs that are not yet considered to be reliable partners in social service provision. TSOs in previously socialist countries continue to struggle with problems of legitimacy and deficient public awareness and acknowledgement of their role and work (Les et al. 2016; Bežovan et al. 2016).

Despite many differences, Spain and France share a common tradition of a strong social economy. From a conceptual point of view, the third sector in these two countries is not primarily perceived as terrain for volunteer engagement in membership organizations, which is the core concept in the welfare partnership countries such as Austria, Germany and the Netherlands. Instead, in France and Spain, the third sector is to a large extent a carrier of the notion of doing business differently. There, TSOs are vehicles and instruments for the enactment of a civic and community-oriented economy in contrast to the concept of a market economy that primarily caters to the interests of individual entrepreneurs. Note that we do not argue that statistically and in terms of numbers the social economy constitutes the largest part of the third sector in France and Spain; rather, we stress that the strong tradition of the social economy makes the third sector in these countries distinctive and distinguishable from the sector in other regions of Europe. It also has to be mentioned that similar to the post-socialist countries, the Mediterranean countries, including France, have been affected significantly by the European economic crises and the austerity measures taken by the governments in the aftermath of the crises (Petrella 2016; Chaves-Avila 2016).

Finally, the U.K. constitutes a deviant case in many aspects. Originally the pattern of third sector embeddedness in the U.K. corresponded to the “liberal model” (Salamon/Anheier 1989) in which TSOs have to step in because government is unwilling to or cannot invest heavily in the welfare domain. After 1945, however, the U.K government turned in the so-called social-democratic direction by setting up government-run and government-funded social services. In the 1980s, in yet another turn, the U.K. embraced neo-liberalism earlier and even more rigorously than the U.S.

did. Initially, the third sector benefited from the first wave of neo-liberalism in the U.K., since privatization of public services quite often translated into a shift from the public to the third sector. And the sector also profited from the modernization of the public sector under New Labour in the 1990s, since TSOs developed into favored public policy partners in Britain. However after the recession at the end of the 2000s, the sector was hit hard by the conservative government’s austerity measures. Furthermore, the sector is increasingly being attacked by the media for being unreliable and ill-equipped to serve the population’s needs effectively and efficiently (Mohan et al. 2016; Kendall et al. 2016).

Along with limiting geographical scope, the research consortium needed to narrow the range of policy fields to be covered to three: social services, sports, and arts and culture. Indeed, the policy field in which TSOs operate matters. The embeddedness of the sector and the patterns of co-operation with government, the market and civil society vary significantly even within countries in accordance with the tradition, culture, and regulation of the specific policy area. Social services, which, according to the International Classification of Nonprofit Organizations (ICNPO) (Salamon/Anheier 1996), covers a broad spectrum of activities and institutions⁵, constitutes the most significant area of third sector activity in many countries, at least from an economic perspective. Social services provision through TSOs contributes to the wellbeing of citizens and has often developed in parallel with the welfare state. A high degree of professionalization and government support, via subsidies, grants, contracts or insurance payments, are key characteristics of TSOs operating in this policy field. A very different pattern of TSO embeddedness is characteristic for the area of sports⁶. TSOs in this field still operate

predominantly based on the concept of membership and therefore survive primarily on the basis of volunteer input and membership dues. However, similar to TSOs engaged in social services, sports clubs are increasingly challenged by commercial competitors, in particular fitness studios, which have gradually made inroads into the world of community-oriented sport activities in many countries across Europe. Finally, arts and

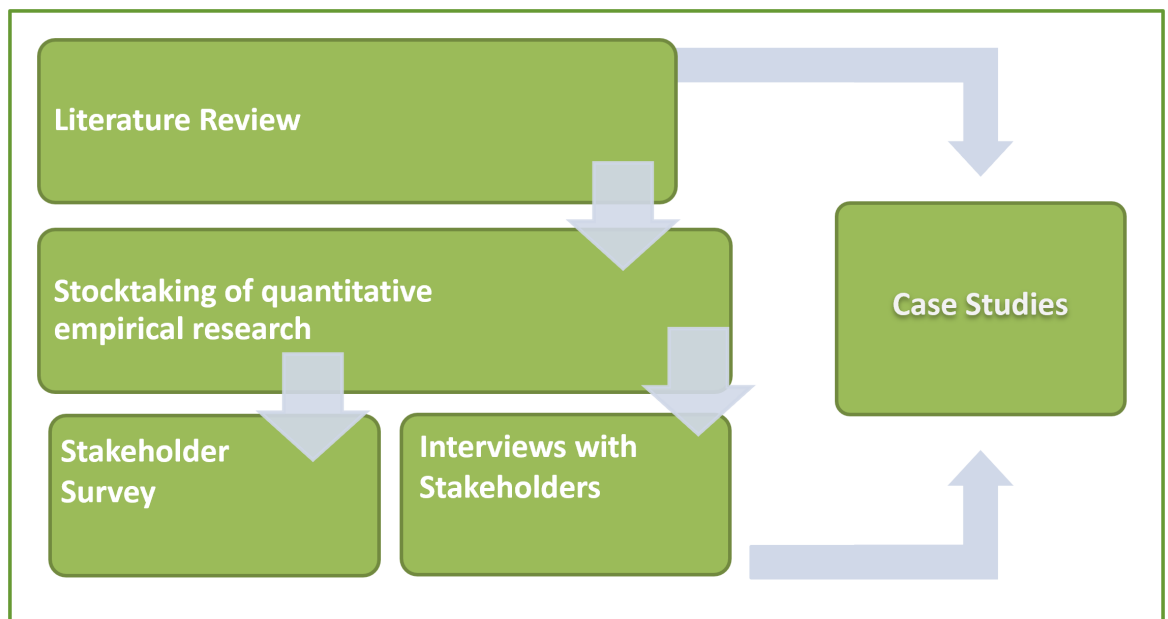
culture is an interesting, but with very few exceptions (Evers/Zimmer 2010) widely neglected area of TSO research⁷. Specifically in urban and metropolitan areas, TSOs active in arts and culture stand out for their innovativeness in terms of how they address contemporary problems and how they combine business activities with civic and political engagement (Pharoah 2010).

2.3 Identifying Key Problems

Identifying the crucial problems TSOs in the project countries are struggling with and finding out how TSOs manage to cope with these difficulties constitut-

ed a key task of TSI. Thanks to the work of the TSI research teams, information was collected about the barriers and hurdles of TSOs across Europe⁸.

Graph 2: Research Design



Source: Zimmer/Pahl 2016: S. 25

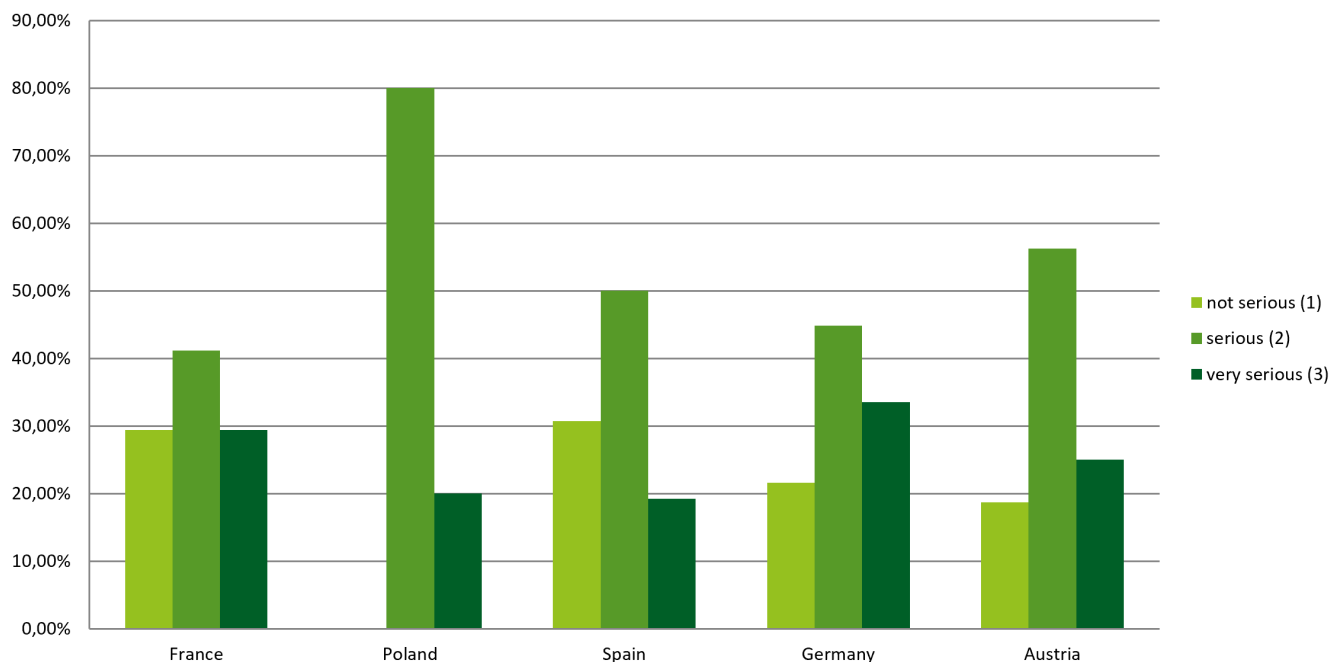
- ⁵ The ICNPO group encompasses "child welfare, child services and day care; youth services and youth welfare; family services; services for the handicapped; services for the elderly; self-help and other personal social services; disaster/emergency prevention and control; temporary shelters; refugee assistance; income support and maintenance; material assistance" (Salamon/Anheier 1996).
- ⁶ The ICNPO group encompasses "amateur sport, training, physical fitness and sport competition services and events" (Salamon/Anheier 1996).
- ⁷ The ICNPO group encompasses "visual arts, architecture, ceramic art; performing arts; historical, literary and humanistic societies; museums; recreation and social clubs; service clubs" (Salamon/Anheier 1996).
- ⁸ The research teams were chaired by: Taco Brandsen and Ulla Pape (Netherlands), Rafael Chaves (Spain), Ruth Simsa (Austria), Jeremy Kendall and Nadia Brookes (UK), Goiko Bezovan and Danijel Baturin (Croatia), Ewa Les and Bartosz Pielinski (Poland), Francesca Petrella (France), and Annette Zimmer and Benedikt Pahl (Germany).

Hurdles and barriers were identified through a mixed method approach consisting of a review of the literature, expert interviews and an online survey with questions addressing the stakeholders of TSOs. The results of the investigation were compiled in country reports, each providing a differentiated picture of the situation of the third sector in the country. The reports are available on the internet (Bežovan et al. 2016; Brandsen et al. 2016; Chaves-Avila et al. 2016; Hoemke et al. 2016; Kendall et al. 2016; Leś et al. 2016; Petrella et al. 2016; Richez-Battesti et al. 2016; Simsa et al. 2016), a comparative summary of these country reports is published in a co-authored volume (Enjolras et al. 2018)⁹.

in the way of the development of TSOs in almost every European country were identified. These difficulties are explicitly and implicitly an outcome of the aforementioned general trends; amongst them, the impact of neoliberalism and the changes in the culture of volunteering are most prominent (Enjolras et al. 2018). The findings presented here reflect the results of online surveys conducted under the umbrella of the TSI project. Representatives of TSO umbrellas, high-profile managers and field experts were asked about general trends within the sector, which barriers and difficulties they perceive concerning the sector, and what they expect as regards the development of the sector in the near future (Zimmer/Pahl 2016).

Based on the results of the country reports, common problems which stand

Graph 3: Difficulties Recruiting Volunteers



Source: Zimmer/Pahl 2016: 6

Asked to assess the most serious difficulties related to human resource management, survey respondents considered recruitment of volunteers to be quite problematic, especially in the Cen-

tral European countries. For sure, individualization and societal pluralization have had a deep impact in Austria and Germany, characterized by a legacy of societies divided into social camps of the

⁹ <https://link.springer.com/book/10.1007/978-3-319-71473-8>

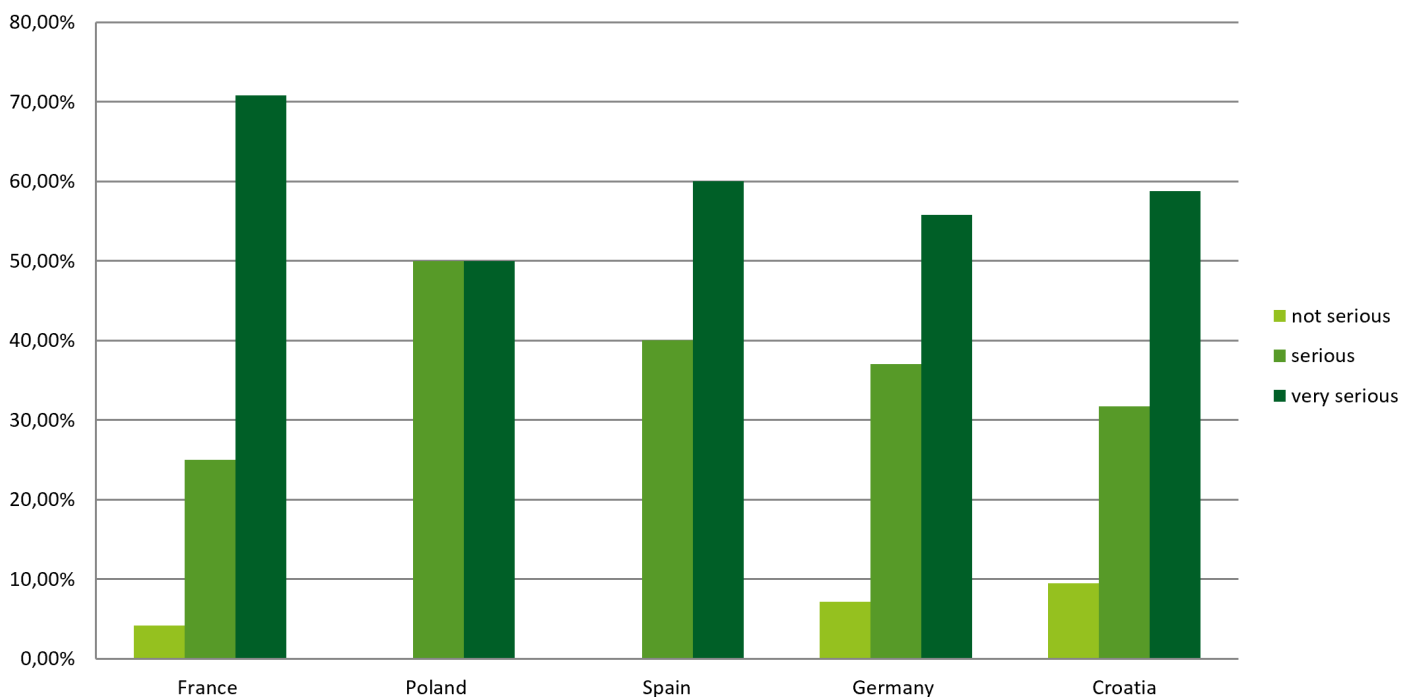
“left” and the “right” that carried over into the structure of the sector. Nowadays lifelong volunteer engagement in a specific TSO no longer corresponds to the zeitgeist in Austria and Germany, nor throughout Europe. Volunteering has become volatile and linked to specific tasks and projects. Furthermore, in the Mediterranean, volunteering has never been very popular. This might be the reason why stakeholders in Southern European countries perceive recruitment of volunteers quite differently.

Asked with what TSOs in their country struggle the most, the stakeholders unanimously referred to “increasing bureaucracy” as the top issue. For sure, this result reflects the significant changes in the sector’s environment in Europe. By and large, TSOs are treated today on par with for-profit providers. The new policy environment impacts significantly on TSOs’ external relations, both with government and with other partners. All over Europe, TSOs have to

prove that they are managed efficiently and are able to ensure a return on “investment”. The necessity to constantly prove that the organization lives up to the expectations of various constituencies, be they funders, clients, members or volunteers, results in an increased demand for documentation and internal control mechanisms. It is obvious that TSOs governed and managed in a traditional way are not equipped to cope with these demands.

Against this background, the TSI teams searched for third sector organizations that successfully managed to cope with these difficulties in terms of scarcity of both financial resources and volunteer input as well as in terms of increased requirements for documentation and control. The case studies presented here provide a multi-faceted picture of how TSOs are able to be resilient in a changed European environment.

Graph 4: Increasing Bureaucracy



Source: Zimmer/Pahl 2016: 8

3. STRATEGIES OF RESILIENCE

3.1. Introduction

The case studies collected under the auspices of the TSI project provide an interesting and multi-faceted picture of how TSOs manage to cope with a significantly changed organizational environment. The eighteen organizations selected based on the recommen-

dations of national stakeholders who were interviewed in the course of the TSI project include eight social service organizations, two sports clubs, seven organizations working in the area of arts and culture, and one retailer of organic food.

Table 2: Sample of Case Studies by Country of Origin

	Social Services	Sports	Arts and Culture	Others
Austria		<ul style="list-style-type: none"> • Sportunion Favoriten 	<ul style="list-style-type: none"> • EDUCULT 	<ul style="list-style-type: none"> • Bioparadeis
Croatia	<ul style="list-style-type: none"> • Society For Psychological Assistance • Desa Dubrovnik 		<ul style="list-style-type: none"> • Lauba 	
France	<ul style="list-style-type: none"> • La Varappe 		<ul style="list-style-type: none"> • Les Tetes de L'Art • Un Gout d'illusion Macadam 	
Germany		<ul style="list-style-type: none"> • TSG Bergedorf 	<ul style="list-style-type: none"> • Gängeviertel 	
The Netherlands	<ul style="list-style-type: none"> • Humanitas 			
Spain	<ul style="list-style-type: none"> • Gureak 		<ul style="list-style-type: none"> • Federation of Musical Societies of the Valencian Community • Fundación Santa Maria La Real des Património Histórico 	
Poland				
United Kingdom	<ul style="list-style-type: none"> • Royal National Institute for Blind People • Salus • Shared Lives Plus 			

From a management point of view, the cases are noteworthy because they indicate the direction in which the sector is developing in Europe. For sure, “becoming business-like” (Maier et al. 2016; Wijkström 2011) constitutes the overall trend. Throughout Europe, TSOs

have embraced managerialism (Hvenmark 2016; Klikauer 2015) in order to survive in an environment increasingly characterized by scarcity of governmental funding less reliable volunteer input and strong for-profit competition. However, “becoming business-like” does not

mean that TSOs are entirely absorbed into the world of corporations. The case studies show that, although they unanimously allude to the institutional logics of “the market” and “the corporation” (Thornton et al. 2012), TSOs differ significantly as regards their degree of managerialism and business-likeness. Moreover, the cases indicate specific trajectories of TSO development.

In order to understand the process better, we start by taking a closer look first

at the “pure” TSO (Enjolras 2009) as it developed alongside modern 19th century capitalism and then how the ideal TSO has changed since. In a second step, we try to unpack what “becoming business-like” means. Against this background, the case studies will be clustered in three groups, each of which indicates a particular approach to coping with a changed organizational environment in Europe.

3.1.1 From the Traditional “Pure” Membership-Based to Today’s Client-Oriented TSO

The third sector, as we know it today, developed in tandem with both modern bureaucratic statehood and the capitalist economic order. TSOs came into being because neither the state nor the market was well equipped to meet societal needs that emerged in the wake of the breakdown of the traditional social and economic order in Europe and worldwide during the boom of industrialization and urbanization in the late 19th century (Katz/Sachße 1996; Zimmer 1999; Trägårdh 2007; Alapuro/Stenius 2010). Since then, TSOs have been simultaneously an integrated part of modern industrialized societies as well as a multi-purpose tool that seeks to buffer the negative side effects of economic and societal modernization (Anheier/Salamon 2006).

It is worthwhile highlighting the different traditions of TSO research. In the US, both the concept of philanthropy and the non-distribution constraint used to be perceived as the decisive characteristics of TSOs (Robbins 2006; Salamon/Anheier 1992a, 1992b). In the European context, by contrast, the voluntary association affiliated with social movements and with specific features

such as reciprocity as well as democratic governance and participation served as the terms of reference for third sector research (Trägårdh 2007; Zimmer 2007; Evers/Laville 2004a). Accordingly and consistent with the reasoning of de Tocqueville, TSOs were epitomized in Europe especially as “schools or laboratories of democratic citizenship” (Eikenberry/Kluver 2004: 138). The distinctiveness of TSOs as a communitarian alternative based on reciprocity and empowered by a community spirit that distinguishes it from both the hierarchical enterprise and the bureaucratic government entity was reflected in its organizational features, most prominently amongst those its mission, resource structure and governance.

The “ideal type” TSO in the European context is probably the “pure” voluntary association that is based on membership and “whose resources derive exclusively from donations and voluntary work, that is, involve exclusively reciprocal transactions” (Enjolras 2009: 763). Hence, the business model of the pure voluntary association is directed towards the needs of its members, and simultaneously based on its members’

work and engagement. In other words, the pure voluntary association was intended to be an association run for its members and by its members. In the European context, the notion of membership used to encompass more than just belonging to a particular (voluntary) association. Voluntary associations were embedded in specific societal milieus in which they served the dual function of stratifying society and constituting the societal underpinning of the political factions or camps of the “right” and the “left” side of the political spectrum (e.g. for the Netherlands, Aerts 2013; for Germany, Zimmer 1999).

Keeping a distance from the business world was a distinctive feature of many voluntary associations in Europe. Financed through membership dues and operating on the basis of volunteer input, the majority of TSOs were clubs catering exclusively to the needs of their members in the areas of sports and leisure as well as the arts and culture. Moreover, even those TSOs that operated on behalf of the poor and needy were by and large not organized as nonprofit charities but as membership-based voluntary associations, although these TSOs already departed from the ideal type of “pure” voluntary association as an organization run for and by its members. But again, the members of the early charitable TSOs belonged to a specific ideological camp, operating either close to the “left” or the conservative wing of the political spectrum. Caritas, which now serves as an umbrella for thousands of TSOs operating in the welfare domain all over Europe, constitutes a textbook example of a TSO looking back upon a long tradition of embeddedness in a specific social and normative milieu that in this case is closely affiliated with the Catholic Church (Boeßenecker/Vilain 2013).

In addition to the legacy of membership-based clubs serving either their members or certain groups in need, the third sector in Europe looks back upon a long tradition of a “social economy” that again was based on membership organizations, primarily co-operatives, whose prime objective from the very beginning has been to support their members economically. The co-operative movement builds on various normative and ideological traditions in Europe (Evers/Laville 2004a: 19). Whereas in the south of Europe, in the Mediterranean countries and in France, the social economy of co-operatives used to be primarily close to the “left”, in Central Europe the co-operative movement enjoyed popularity on both sides of the political spectrum. Co-operatives constitute a very interesting feature of the organizational universe because by definition they combine the logic of a club (membership organization) with the logic of a corporation based on shares or capital. Self-help and empowerment are their underlying rationales. Unlike in the US, the social economy and hence co-operatives and other forms of community-oriented business activities have been a topic of third sector research in the European context from its very start (Evers/Laville 2004a: 19). Since the 1990s, the research networks EMES¹⁰ and Ciriec¹¹ have been influential promoters of a third sector research agenda with a special focus on the social economy.

Taking into account the development of the sector in Europe and arguing from a perspective inspired by neo-institutionalism, we might conclude that key characteristics of TSOs were:

- an embeddedness in specific social milieus that by and large were affiliated with a particular normative and / or political orientation;

¹⁰ <https://emes.net>

¹¹ <http://www.ciriec.ulg.ac.be/en/who-we-are/historique/>

- the notion of membership as the key concept which, from a management point of view, translated into (a) pooling of resources, mainly dues and volunteer work and (b) sharing of benefits and risks, and
- a democratic and / or participatory governance in terms of decision-making, by and large safeguarded by an honorary decision-making body.

However, times have changed. From a legal point of view, the majority of TSOs operating in Europe are still based on the concept of membership that used to serve a dual function: first, signaling belonging to a specific social milieu and, second, safeguarding, thanks to membership fees and / or shares, the financial backbone of the organization. However, as indicated frequently (Wijkström/Zimmer 2011; Papakostas 2011) and documented by the TSI project, members have become a volatile and increasingly unpredictable source of input. Individualization and the erosion of the traditional social milieus in which TSOs were originally embedded had a very significant impact on TSOs. Today, neither are TSOs in a position to count on a stable membership base, nor are their members very much inclined to invest their spare time on behalf of a particular organization to serve as a volunteer or honorary board member. According to the results of the TSI project,

the most salient problems TSOs face today are difficulties in recruiting volunteers and in particular convincing members to serve in a position of authority with the aim of running the organization on a voluntary basis.

The concept of membership that used to be the backbone of TSOs in Europe is challenged, not only “from below”. The *raison d’être* why governments in Central Europe and specifically in welfare partnership countries partnered particularly with TSOs in the provision of social services is no longer firmly in place (Evers/Zimmer 2010). Certainly, TSOs in many European countries continue to be key providers of social services and still play a very significant role in this area (Enjolras et al. 2018: 54). However, the nonprofit social service providers cater no longer to members of a certain community but rather to clients in need of a specific service. Accordingly, the organization’s legitimacy is no longer linked to its societal embeddedness; instead its market position and the cost-efficiency of its service delivery, particularly compared to competing for-profit providers, have become far more important (Henriksen et al. 2012). Thus there is no other way to ensure organizational survival than “becoming business-like”.

3.1.2 TSOs Becoming Business-Like

The becoming business-like of TSOs is now a global phenomenon and a widely studied subject (Maier et al. 2016; Hvenmark 2016). But, becoming business-like is a fuzzy concept. It encompasses various facets that are linked to current discussions in organizational studies, in particular the debates on hybridity (Battilana et al. 2017; Johanson/Vakkuri 2018), and institutional logics (Ocasio

et al. 2017). What articles and research projects analyzing the becoming business-like of TSOs have in common is that they focus predominantly on single TSOs and hence argue from a perspective inspired by business administration (Maier et al. 2016; Hvenmark 2016).

An excellent starting point for the classification of our cases studies is provid-

ed by Maier et al. (2016: 70, Fig. 1) who systematically unpack the label of TSOs becoming business-like. Accordingly, the topic of TSOs becoming business-like is closely linked to the ongoing and densely intertwined debates on both organizational hybridity (Battilana et al. 2017) and organizational logics (Ocasio et al. 2017). Hybridity in organizational theory still lacks an encompassing definition, but an increasingly shared perspective defines it as “the mixing of core organizational elements that would not conventionally go together” (Battilana et al. 2017: 129). These organizational elements refer to different categories, including “forms” and “rationales”. Under this lens hybridity and hybrid organizations are conceptualized as “the combination of multiple societal level rationales or logics” (Battilana et al. 2017: 129) or “entities that face a plurality of normative frames” (Skelcher/Smith 2015: 433).

Similar to hybridity the institutional logic perspective (Ocasio et al., 2017) is not restricted to the study of organizations. Instead it is an encompassing approach facilitating research on “culture, structure and process” (Thornton et al. 2012). The institutional logics perspective constitutes “a metatheoretical framework for analyzing the interrelationships among institutions, individuals and organizations in social systems” (Ocasio et al. 2017: 510). This approach is increasingly being applied to the analysis of hybridity because it differentiates between various “ideal-typical logics of institutional orders” (Skelcher/Smith 2015: 438). Each of these orders, or more precisely “institutional logics” (Thornton et al. 2012: 73), differs with respect to its source of legitimacy, authority and identity.

Table 3: Ideal-Typical Logics of Institutional Orders

Institutional Orders						
Source of legitimacy	Religion	Community	Corporation	Market	Profession	State
Source of authority	Faith	Belief in trust and reciprocity	Market position of firm	Share price	Professional expertise	Democratic participation
Source of identity	Priesthood	Commitment to community values and ideologies	Board of directors Management	Shareholder activism	Professional association	Bureaucratic domination
Economic system	Occidental capitalism	Co-operative capitalism	Managerial capitalism	Market capitalism	Personal capitalism	Welfare capitalism

Source: Based on Thornton et al. 2012: 73 and Skelcher / Smith 2015: 438

With a special eye on the public and nonprofit sectors, Skelcher and Smith (2015) combine the institutional logic perspective with the discussion on hybridity by defining a nonprofit hybrid as “an organization that incorporates plural institutional logics” (Skelcher and Smith 2015: 343), as well as norms and

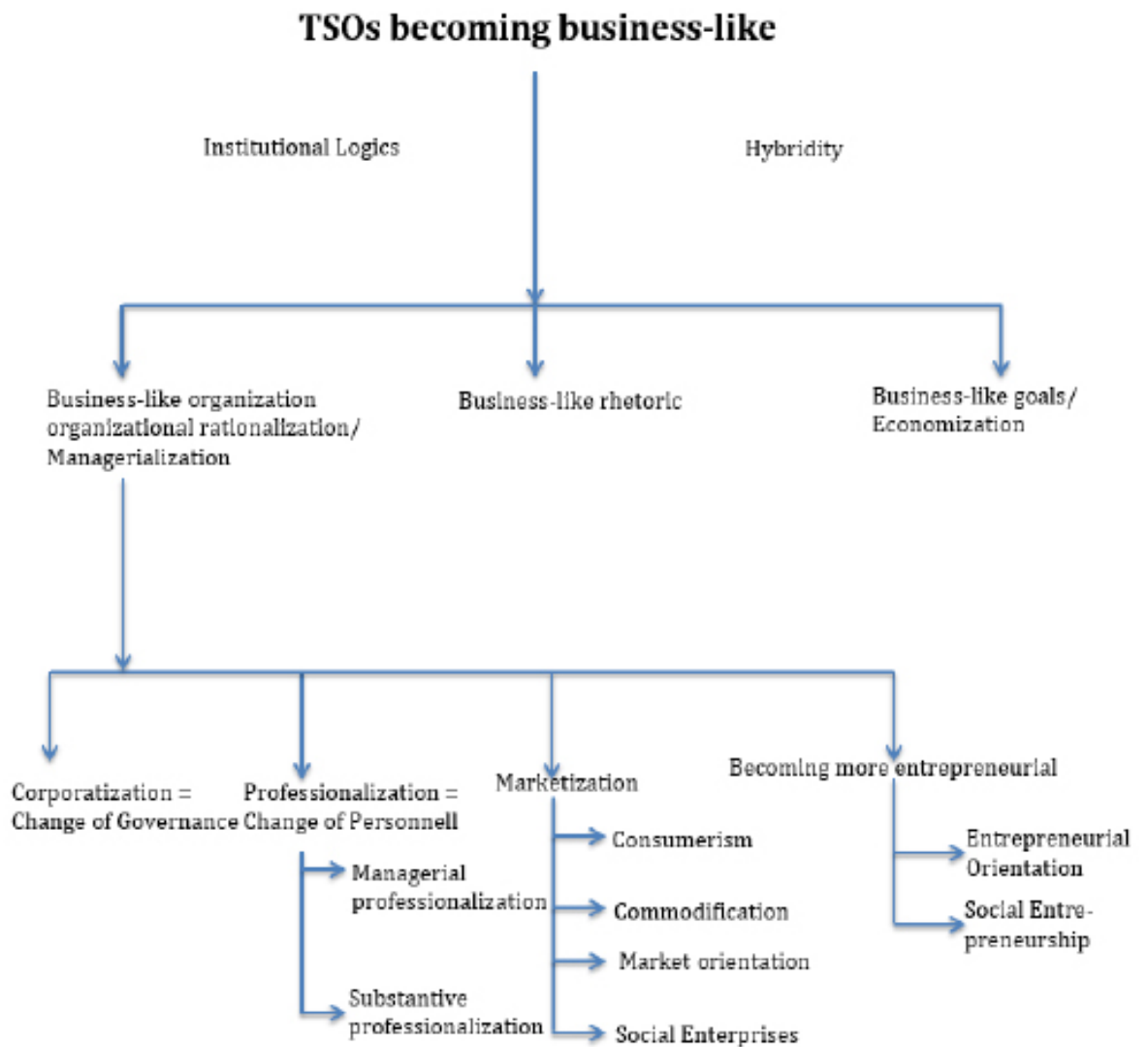
features which are linked to specific economic systems.

When a TSO becomes more business-like, the logics of the “market” and the “corporation” make inroads into the organization which was originally based on the institutional logic of the “com-

munity” primarily and, at least in the social domain, “religion” since many non-profit social service providers in Europe are closely affiliated with the churches (Zimmer 1999). As membership-based organizations, democratic participation constituted from the very beginning a strong source of legitimacy for TSOs. Particularly those TSOs that developed into key partners of government in the social services domain had also progressively alluded to the institutional logic of the “profession”, at least in those areas of operation where they were part of a third-party government arrangement.

From the perspective of the institutional logics approach, TSOs becoming more business-like corresponds to a subtle process of moving away from the “pure” TSO that in the European context used to be primarily an organization of, by and for its members towards a more hybrid entity that builds on and has integrated into its organizational procedures at least the logic or the institutional order of the corporation, which in many cases is accompanied by the logic of the market.

Graph 5: Becoming business-like

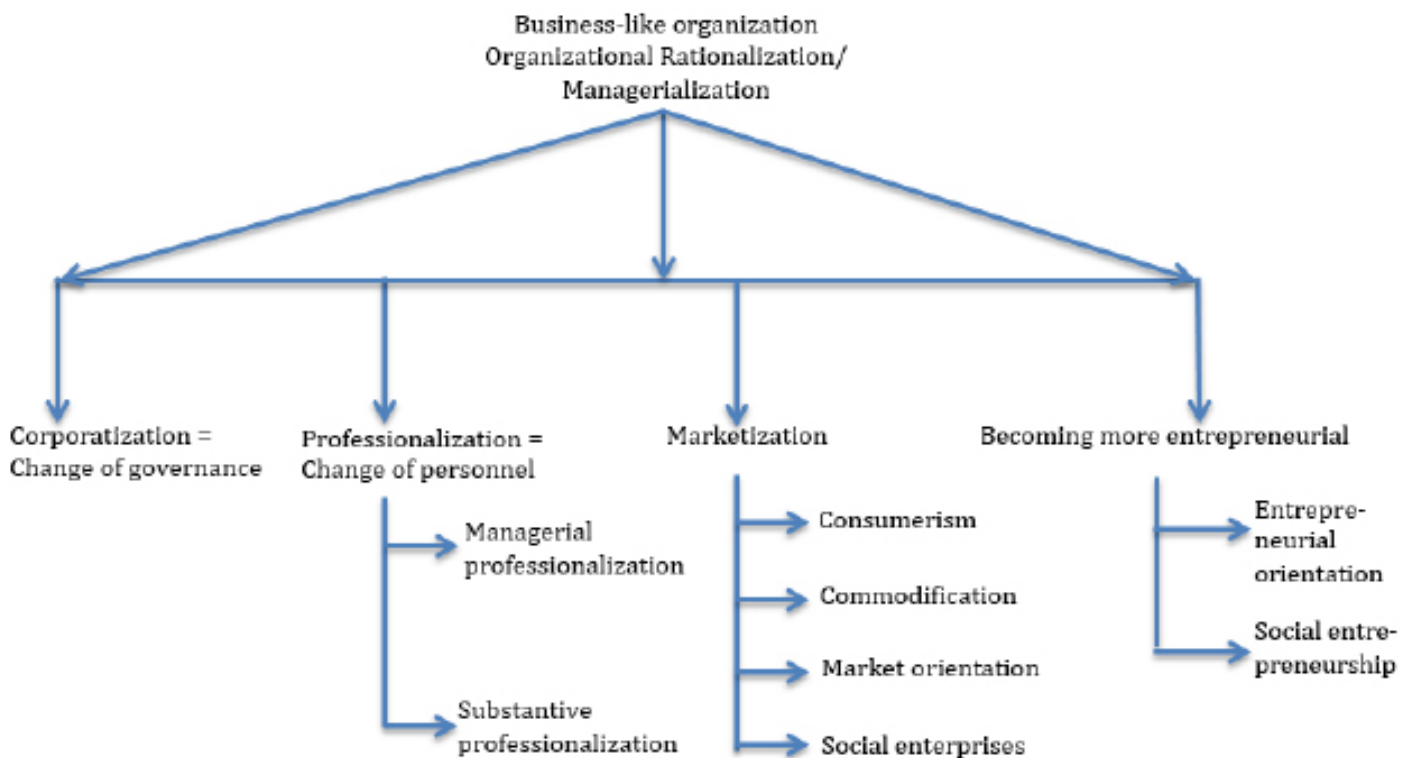


Source: Maier et al. 2016: 70

There are many reasons why TSOs have become more business-like over recent decades. However, the most important one is linked to considerations of isomorphism (DiMaggio/Powell 1983). Since there is little doubt that the modern business corporation currently constitutes the only model for organizing collective activities that enjoys unrestricted legitimacy (Crouch 2011: 2), TSOs trying to be resilient do not have any choice other than becoming more business-like. But becoming business-like does not translate into just one, clearly defined developmental pathway. Based on a meta-analysis of the relevant literature, Maier et al. (2016) convincingly argue that there are at least three very different dimensions of the “becoming more business-like” phenomenon. Turning to a business-like rhetoric, the primary goal of which is to signal belonging or at least affinity to

the world of corporations, captures one facet of the process of “the on-going (re-)hybridization” of TSOs (Wijkström 2011). Economization - and hence aluding primarily to business-like goals -constitutes an additional major trend that might however be a dangerous one for TSOs since they run the risk of losing their distinctiveness: TSOs that fully embrace commercialization might develop into a full-fledged commercial or for-profit entity. The third dimension is managerialization, which is not a synonym of economization. Instead it is the gradual transformation of a TSO into a rationalized and hence business-like organization, a process of great interest for scholars analyzing hybridity from an institutional logics and path-dependent perspective . It must be said, however, that managerialization is also a contested concept that allows for different interpretations.

Graph 6: Indicators for Managerialization



Source: Maier et al. 2016: 70

Maier et al. (2016: 70; Graph 6) highlight “corporatization” as an important facet of managerialization that translates into “changes in the NPO’s governance structure” (Maier et al. 2016: 70). Sometimes corporatization also encompasses an option for a new legal form, such as the limited corporation that is widely used in business (Priller et al. 2012). Maier et al. (2016) distinguish between two types of corporatization: (a) re-modeling a single TSO through the introduction of a managerial or executive level staffed with professionals, preferably with a background in business administration, who are not elected but recruited based on their professional experience, and (b) setting-up a “holding structure” under which several (more or less independent) TSOs with sometimes different legal forms are integrated. The latter more complex form of corporatization allows the integration of very different organizational entities, such as a membership-based voluntary association, a foundation or a corporatized service-producing entity under one umbrella. For large TSOs engaged in various areas of activity, corporatization with the outcome of a holding structure might be an effective tool for avoiding conflicts between their organizational entities, since each of these segmented or segregated organizational units operates under a different institutional logic. The holding structure translates into a “divide et impera” or compartmentalizing through segmentation or segregation (Skelcher and Smith 2015: 440f) under one umbrella.

Nevertheless, the mimicry of corporate governance in the TSO world mostly involves the introduction of a managerial level or executive body staffed with professionals doing the job in order to make a decent living. Furthermore and in line with the corporate world, the managerial level is often supplemented by a control entity or supervisory board, populated by selected personalities receiving an expense allowance.

Such board members serve as knowledgeable intermediaries to the broader community of the particular TSO. Sometimes, they also act as fundraisers since they know the “right” people, be it politicians, celebrities or high-potential donors and business angels, or they are professionals whose expertise aids in the supervision of the TSO.

Professionalization, which entails the replacement of members and volunteers with professionals and paid staff, constitutes a further and strong indicator for managerialization. We already touched upon “managerial professionalization” that goes along with corporatization and hence the change of the administrative base of the organization. “Substantive professionalization” affects the overall workforce of TSOs. Whereas managerial professionalization came about as a response to recent changes in the environment, the replacement of volunteers by professionals or the professionalization of personnel (doctors, social workers, etc.) already looks back upon a long tradition that started when TSOs began to partner with government in highly regulated areas of service production, such as the medical field or social service provision. Currently, the replacement of volunteers through employees is also extended to areas of activity that used to be based entirely on reciprocity and in which members provided services on a volunteer basis for other members. According to Maier et al. (2016: 71), the introduction of volunteer management as well as the enhanced training for volunteers are also indicators of professionalization and hence managerialization.

A textbook example of this development is the area of sports. Sports clubs are highly affected by “marketization”, which, according to Maier et al. (2016: 70), encompasses a decisive shift or change in TSO–stakeholder relationships. In a nutshell, whereas internal

and external TSO relationships used to be based on the institutional logic of the community, marketization occurs when the “community logic” is gradually replaced by the logic of the market combined with the logic of the corporation. It also refers to the introduction of monetary exchanges as a replacement for the input of, for example, volunteers or members and an increased market orientation in terms of pricing, monitoring the position within the market, and seeking increases in profit. The effects of marketization include consumerism that translates into “changed attitudes of beneficiaries, funders, or volunteers” and commodification as another word for the changed character of TSO activities and outputs (Maier et al. 2016: 70). Finances, and more precisely the share of income derived from market transactions is also a useful indicator of marketization: If a TSO is financed primarily by selling goods and services, it stands out for a high degree of marketization. As regards membership dues, it is sometimes difficult to judge whether the member perceives his or her contribution to the organization as a signal of belonging to the TSO or just as a fee to be paid for the service the TSO provides.

Maier et al. (2016: 71) refer to social enterprises as a sub-category of TSOs and hence an unintended outcome of marketization since these TSOs try to solve social problems by applying market-based solutions. However, the emergence of social enterprises might also be a result of a changed environment that requires more entrepreneurial approach-

es to current problems. Drawing on the growing literature highlighting the behavioral dimension of entrepreneurship (Young/Lecy 2016; Mair 2010: 17), Maier et al. (2016: 71) refer to “becoming more entrepreneurial” as a further distinctive dimension of organizational rationalization or managerialization. An “entrepreneurial orientation” involves a different attitude towards risks and alludes to innovation and pro-activeness. In the same vein, “social entrepreneurship” relates to the personality of the entrepreneur as a risk-taker, innovator and change-maker who does not necessarily have to be engaged in a social enterprise. Instead his or her entrepreneurial aspiration might also be the starting point for the modernization and re-modeling of a traditional voluntary association. Hence becoming more entrepreneurial is not just a facet of managerialization; it might be the only way to tackle a problem and to address societal needs in regions and areas where the state and the market are neither in the position nor willing to take action. While this is often the case in the developing world, also in parts of France, Spain and in the post-communist European countries, entrepreneurial initiatives with a social dimension quite often take up problems and find innovative solutions that are addressed neither by the state nor by the market due to a difficult fiscal situation or austerity policies. Unlike in developing countries, recently founded social enterprises in France and in the Mediterranean region are in a better position since they are able to build on the long tradition of the countries’ social economies (Richez-Battesti 2013).

3.1.3 The TSI Cases in the Light of Managerialization

If we look at the case studies of the TSI project with the lens of managerialization, it becomes clear that all the TSOs we examined have embarked on corporatization and changed their governance

structure. Also, we find the two variants of corporatization identified by Maier et al. (2016): (a) the copy of the corporate model with a professionalized managerial or executive level accompanied by a

supervisory board whose members are primarily working on a honorary basis and (b) a rather sophisticated corporatization that translates into a complex decoupled governance setting characterized as a holding.

Besides the common feature of corporatization, the cases differ with respect to the degree of professionalization and marketization. Though all opted in favor of “managerial professionalization” which goes along with the change of governance, there are significant differences as regards “substantive professionalization”. In a nutshell, there seems to be a stark correlation between marketization and professionalization. TSOs building on a long tradition as a membership association seem to hold on to their legacy of working primarily with volunteers. Still being attuned to the logic of the community, members of the TSO become volunteers and as such receive professional training. But the legitimacy of the TSO somehow continues to be intertwined with its membership base and the integration of members as volunteers into their operations and daily routines. It has to be added that holding on to a tradition of a volunteer workforce requires substantial financial support that tends to come from government (see Humanitas, pp. 45).

If the TSO generates primarily earned income, it is most likely that it works exclusively with paid staff. Or to put it differently, the TSO has significantly departed

from the “pure” voluntary association and now resembles to a large extent a normal corporation. However, our case studies that might be characterized as social enterprises because they have turned heavily to marketization also maintain the tradition of social entrepreneurship in their country of origin. With a few exceptions, social enterprises, defined as highly marketized TSOs, are primarily to be found in the southern part of Europe where they build on strong social economy traditions.

Finally, there seems to be a tight nexus between the organization’s size and diversification in terms of activities and products and its governance or type of corporatization. The holding or umbrella governance arrangement seems to be the most suitable arrangement and a first choice for TSOs that are organizing many different activities under one roof and hence co-operating with many and very different stakeholders. The diversification of the TSO might be a side effect of a long-term development process, or a response to the heterogeneity of resources available in their environment. It might also be the case that holdings develop due to the lack of an appropriate legal and organizational form that would allow the combination of business activities with community engagement. Up to now, the Central European countries and most prominently Germany lack a legal form specifically tailored to the business activities of TSOs.

3.2 CLASSIFICATION OF THE CASES

The case studies collected and analyzed under the TSI project might be clustered in three distinct groups, each of which represents both an “ideal type” and a specific trajectory or isomorphistic response to environmental challenges. In accordance with their most significant

characteristic of managerialism, the three ideal-types are categorized as:

- **professionalized membership associations,**
- **social enterprises,** and
- **modern hybrids.**

3.2.1 Professionalized Membership Associations

A professionalized membership association is a modernized version of the traditional “pure” association. TSOs meeting the criteria for professionalized membership associations are:

- **Humanitas**, a social service organization in the Netherlands with a long tradition of engaging volunteers in social work;
- **TSG Bergedorf**, a membership-based sports club in Hamburg, Germany holding a leading position as a provider of sport activities in its local community;
- **Society for Psychological Assistance**, a professional organization, founded in Zagreb, Croatia that aims at institution-building for the profession of psychology and simultaneously providing services for clients;
- **Shared Lives Plus**, which provides family-based and small-scale support for disabled adults in the UK who, instead of moving into a care facility, move in and share the home of a member of the organization;
- **Federation of Musical Societies**, a network of musical associations and their music schools of the Valencia region in Spain;
- **Royal National Institute for Blind People (RNIB)**, a nationwide operating association supporting and lobbying on behalf of blind people in the UK.

Professionalized membership associations still build strongly on the notion of membership in terms of financial (fees and dues) and human resource (volunteering) input. The community of members who share a strong interest due

to their professional affiliation, their enthusiasm for leisure activities (e.g. sports), a specific handicap they have in common or a normative/charitable orientation constitutes the backbone of the organization. Accordingly, these TSOs abstain from business-like rhetoric as well as from business-like goals or economization. Their key approaches to coping with the current challenges are the rationalization of governance and, at least in part, both marketization and professionalization of its personnel.

Typically the governance structure of this type of TSO is two-tiered: a professionalized managerial/executive level staffed with hired employees and a supervisory level at which elected members are volunteering and/or receiving compensation for allowances. The overall governance of these TSOs alludes to representative democracy since the elected board members serve as representatives of either regional or departmental factions of the organization. Professionalization does not stop at the managerial level; it also applies to the street level in terms of working with both employees and professionally trained and managed volunteers. In addition to the change of governance, the training and hence the professionalization of volunteers who are members of the organization constitute key modernizing and rationalizing factors of this type of TSO.

The degree of marketization differs among these TSOs. They all try to address and enlarge the market of their members who sometimes turn into clients (e.g. in sports); instead of reciprocity, members are increasingly in a position of expecting services in return for membership fees. Hence being a member translates into unrestricted access to all the goods and services produced

by the TSO. The route to organizational success, therefore, encompasses both providing more services and increasing their quality. The reason why alluding to the logic of the market has gained importance for professionalized TSOs is closely related to the erosion of the specific European social milieus to which

each was affiliated with a particular normative or political orientation. Since this is no longer the case, market orientation and consumerism have developed into the most important approaches of guaranteeing the organization's attractiveness to members.

3.2.2 Social Enterprises

Social entrepreneurship has gained momentum during the last decades, a trend that is also reflected by quite a number of case studies collected under the TSI project. These TSOs stand out for a top-down management approach, very often put in place by the founder or modernizer of the organization that heavily builds on his or her entrepre-

neurial inspiration. Also, the legacy of history plays an important role. Social enterprises are more likely to be founded and growing in countries in southern Europe and the Mediterranean region that look back upon a long social economy tradition. TSOs falling under the criteria of "social enterprises" are:

- **Deša Dubrovnik**, which was originally founded to help traumatized women in Croatia, but now provides services and gainful employment for women and builds heavily on the leadership of its founder and chief executive;
- **Fundación Santa Maria La Real des Patrimonio Histórico** inspired by a famous Spanish artist who still is a driving force of the TSO that serves as a holding for different, albeit related activities in the areas of tourism, vocational training, and historical restoration – all geared towards regional development;
- **La Varappe**, a work integration social enterprise in the south of France that is legally organized as a for-profit firm and, from an administrative point of view, is a holding with various branches, whose director (CEO) is a pure, risk-taking and innovative entrepreneur;
- **Gureak** in the Basque Country in Spain, a work integration social enterprise which supports persons with primarily mental disabilities to find gainful employment either externally or in subsidiaries of Gureak; organized as a social enterprise group or holding with shareholders from the public and private sector;
- **Salus** in the UK, a social business and legally a community interest group without charitable status, which is run by professionals who used to work for the local government and who founded Salus with the goal of providing services for children with severe (mental, emotional, educational) difficulties of higher quality than what was achievable when they were government employees;
- **Lauba**, a museum and exhibition space in Zagreb, Croatia that is engaged in a wide range of activities and significantly contributes to the upgrading of its neighborhood; adjunct to a company whose owner is Lauba's founder and driving force;

- **Sportunion Favoriten**, a professionally managed sports club in Vienna that under the leadership of a business-oriented entrepreneur offers high-quality fitness and wellness programs for a growing number of members / clients.

TSOs characterized as social enterprises are the most business-like organizations of the TSI sample of case studies. The notion of membership as a concept and source of legitimacy and income is almost unimportant for this type of TSO. Some social enterprises still work with volunteers, but the majority of organizations either prefer to work exclusively with hired employees or commodify voluntarism by integrating volunteers into specific programs where they receive a non-monetary remuneration such as vocational training.

In addition, social enterprises tend to embrace a business-like rhetoric as a tool and indicator for conformity with the changed organizational environment. “We think of ourselves as an orthodox business,” mentioned a director of Salus in an interview conducted for the TSI project. By and large, key executives perceive their TSO as a corporation with a social goal doing business for the community and / or for the benefit of certain groups and constituencies (e.g. children, women, handicapped). In some cases, growth and hence economization play a crucial role. But, in general the social goals, i.e. the well-being and the further improvement of the organization’s core beneficiaries, are far more important than the economic success of the TSO calculated in monetary terms.

The governance of this type of TSO clearly reflects their similarity to typical businesses. As already mentioned, professionalization, both managerial and substantive, constitutes a key characteristic of social enterprises. A top-down approach as regards decision-making and steering is a further characteristic. This type of TSO has moved far away from

the notion of democratic governance as one of the central features of the traditional “pure” voluntary association. The executive board and very often the key CEO is sitting in the organization’s driver’s seat. As the case studies show, entrepreneurial personalities have a stark impact on these TSOs. These social entrepreneurs either founded the respective TSO or were recruited as professionals who either purposefully or unintentionally turned the organization around to make it more business-like or even changed its legal form in favor of a corporate one. In accordance with the business world, the governance set-up of social enterprises mainly consists of supervisory bodies responsible for the supervision and control of the executive board. These bodies are also in charge of monitoring the markets relevant to the respective TSOs in order to embed the organization best in the local or regional business community of their field of activity.

Increasingly, social enterprises are switching to the legal form of a corporation. In countries such as the UK, Spain and France where there exist legal forms that are specifically tailored to the needs of social business, social enterprises tend to adopt them.¹² Furthermore, social enterprises are very often established as holdings that encompass various independently managed departments or even legally independent organizations or companies that are loosely coupled and have the core social enterprise serving as an umbrella organization for the particular social enterprise group.

Not surprisingly, social enterprises rank high in terms of consumerism, commod-

¹² For example, the non-charitable community interest company in the UK.

ification and in particular market orientation. They are literally “in business” trying to enlarge their service portfolio, the groups they address and serve, and their regional outreach. By doing this, social enterprises seek to extend the share of their income based on sales and hence on the market. However, in the European context, social enterprises by and large do not manage to become thoroughly independent from non-market-based finances and income such as foundation or government grants. Of particular importance in post-socialist countries such as Croatia is EU support for TSOs. Due to their market orientation, the diversification and expansion of services and products constitute important common features of the social enterprise as a specific type of TSO.

Social enterprises as a specific type of TSO have moved far away from the original “pure” association. Affiliation with a specific political faction and embeddedness in a particular social milieu are no longer an issue or characteristic features of this type of TSO. Helping the community, a specific group or constituency to get along economically has turned into their key leitmotiv, replac-

ing aspirations linked to political parties and factions. Also, in contrast to the traditional “pure” association, social enterprises are not membership based. They are providing opportunities for gainful employment. Accordingly, they are very often engaged in regional development activities and cater to the needs of specific social groups and constituencies. The classical view of a TSO as a pool of resources and a risk- and benefit-sharing medium has been replaced by entrepreneurship as a way of life and a particular mode of addressing social issues. In accordance with the institutional logics of the corporation and the market, to which social enterprises particularly allude, democracy - and hence democratic governance - is not a central feature of this entrepreneurial type of TSO. Although the logic of the community still plays an important role, social enterprise TSOs that are guided more by the logics of the corporation and the market have commodified the logic of the community, which is now served through their economic activities as an employer, regional developer and producer of goods and services.

3.2.3 Modern Hybrids

A modern hybrid stands in between the two previously described types of TSOs. Like the professionalized membership associations, modern hybrids tend to work with volunteers and allude to democratic governance, while sometimes also referring to the notion of membership in terms of financial (dues) and human resources input. However, like social enterprises, they are entrepreneurial, cater to specific markets, and tend to develop into holding corporations that integrate different

branches or independent organizational units. But unlike social enterprises, which often operate in resource-poor areas, modern hybrids seem to be an urban phenomenon. Moreover, they often work as facilitators or incubators of creative and sustainable industries and are therefore particularly engaged in the areas of the arts and culture. The following TSOs of the TSI sample are characterized as modern hybrids and facilitators of creative and sustainable industries:

- **Gängeviertel** in Hamburg, Germany, a multi-purpose TSO, founded by social activists with a background in arts and culture with the goal of preserving a traditional housing compound in the heart of the city which was earmarked for demolition; established as a holding for a membership-based club organizing cultural activities and events and a co-operative in charge of managing the housing compound;
- **Un Gout D`Illusion Macadam** a TSO legally organized as a co-op and operating in the south of France (Montpellier) whose purpose is at least twofold: to organize and produce new initiatives and projects in the area of arts and culture as an integrated approach to regional development, and to support artists in the region through training and counseling with the goal of helping them to establish themselves in the arts business;
- **Les Tetes de L`Art in Marseille**, France, an association that serves as a multi-purpose facilitator of cultural activities and regional development and stands out for its participatory governance approach;
- **EDUCULT** in Vienna, Austria, a facilitator in the areas of arts, culture and education, organized as a voluntary association with the goal of advancement of the field through consultancy, support, evaluation and research;
- **Bioparadeis**, a co-op in Vienna, Austria that facilitates sustainable agriculture and regional business by working as a retailer for organic food produced in the region; also a member of Austrian FoodCoop, a holding corporation of small-scale organizations based on the concept of reciprocity; access to the agricultural products is restricted to members of the co-operative who are voluntarily engaged in the retailing of the products.

As indicated, modern hybrids take an intermediary position between a professionalized membership association that still strongly builds on the logic of community and a social enterprise that is particularly influenced by the combined logics of the corporation and the market. Generally modern hybrids abstain from a business-like rhetoric because, compared to TSOs operating in the welfare domain of social service provision, their organizational context is far less affected by the world of economics. Also, thinking big and therefore economization is neither their key concern nor a driving force of their strategy building. But similar to social enterprises and professionalized membership associations, they also show distinctive traits of managerialization. Nevertheless, the modern hybrids combine in an innovative way distinctive characteristics of the

traditional “pure” voluntary association with features derived from the business world and influenced through managerialization.

In general, modern hybrids are very proud of their horizontal governance approach that they perceive as a variant of participatory democracy. The governance of the modern hybrids strongly refers to “grassroot democracy and strong civic participation” (Gängeviertel), “grassroots democratic structures” (Bioparadeis), “participative governance internally” (Les Tetes de L`Art), a “participative approach ... (with) periodic team meetings” (EDUCULT), and “democratic management” (Un Gout D`Illusion Macadam). Accordingly, modern hybrids prefer the legal form of the traditional TSOs, i.e., the co-operative or the association. Sometimes they opt

in favor of a combination of the two under a holding or umbrella structure. In any case, the notion of membership as a concept and indicator for belonging to a particular constituency that supports a certain horizon of ideas and normative or political claims and demands constitutes a very prominent characteristic of modern hybrids. Again, this feature brings modern hybrids close to the traditional “pure” association that stood out for its embeddedness in a specific social milieu, affiliated with a particular normative and / or political orientation. There seems to be a close correlation between the emergence of new so-called creative classes in urban areas and the founding and flourishing of modern hybrids. Also, there might be a close nexus between the environmental movement and its efforts to promote sustainable development and modern hybrids struggling for sustainability, of which the food co-op Biopardeis is just one example.

Modern hybrids are professionally managed, and “professionalization” as an indicator for managerialization refers to the executive level. However, substantive professionalization, encompassing every segment of the organization, is not a core element of this particular type of TSO. By and large, modern hybrids count on inputs from their members, or in the case of co-operatives their shareholders, and other associates who are also integrated into the decision-making processes of the TSO through various modes of participatory governance and management. Modern hybrids deliberately abstain from consumerism; instead they strongly refer to the logic of community. And the same holds true for commodification. In a way, modern hybrids signal a renaissance of traditional community-oriented goals and aspirations of TSOs.

But at the same time, modern hybrids are strong in monitoring their environment for new opportunities, even if

there are risks involved. An entrepreneurial orientation constitutes an additional facet of modern hybrids that are quite often a tool and outcome of joint initiatives of creative social entrepreneurs who take a very critical stand as regards current societal developments. These entrepreneurs want to make a difference by combining activities that normally are not perceived as an ideal combination. This is particularly the case in the area of the arts and culture in which members of the creative class operate as change-makers and enlightened entrepreneurs by setting up TSOs that are multi-purpose and democratically governed and thereby combining the logics of community with those of the corporation, the market and the profession.

In sum, the case studies of the TSI project show that TSOs in Europe have managed to adapt to a thoroughly changed environment by becoming more business-like. However, the organizations do not follow the same trajectory of environmental adaptation. Based on a sample of “best practice” examples of successful TSOs identified under the framework of the TSI project, three distinct types of organizations were identified: the professionalized membership association, the social enterprise and the modern hybrid. Each of these types differs with respect to key dimensions of managerialization, specifically with respect to “corporatization” or change of governance, “professionalization” or change of personnel, and “marketization” or adaptation to the logics of both the market and the corporation. They also vary in the degree of entrepreneurship as a concept, attitude and individual behavior. In the following chapter the case studies of the TSI project are outlined and portrayed in more detail.

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PROFESSIONALIZED **MEMBERSHIP** ASSOCIATIONS



HUMANITAS

1. INTRODUCTION

Humanitas is a social service and community building organization in the Netherlands. As many other Dutch third sector organizations (TSOs), Humanitas has experienced many challenges over the past years. Working in the social sphere has become more complex and demanding, the requirements on organizational accountability and transparency have grown, and the public is no longer satisfied with well-intentioned charity work, but expects to see demonstrable results from social organizations. In a network of multiple stakeholders, including members, employees, volunteers, clients and external partners, TSOs such as Humanitas have to balance various demands and continuously need to position themselves in a changing environment.

Despite these challenges, however, Humanitas has experienced a very positive development over the past decade. Both in terms of volunteers and clients, the organization registered steady growth. Many of the programmes and projects of the organization have be-

come more demanding. At the same time, Humanitas managed to preserve its character as voluntary organization. With this case study we seek to understand why this is the case and whether the experience of Humanitas can be relevant and helpful for other TSOs in the Netherlands and in Europe.

The objective of this case study is thus to understand how Humanitas has managed to deal with a changing policy environment and raise its profile as voluntary organization in the social sphere. Humanitas has a long tradition of engaging volunteers in social work. However, the demands on voluntary organizations have been increasing in the Netherlands just as in many other European countries. First, the nature of voluntary work and the expectations have changed. Whereas in the past, volunteers served an organization for a long time period, they nowadays demand more flexibility and are less loyal to specific organizations. Furthermore, volunteers today are not easily satisfied, but expect an interesting and personally en-

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riching experience as volunteer. At the same time, the management requirements for TSOs have become more complex and demanding. Organizations need professional governance structures and transparent and accountable communication strategies in order to guarantee a sustainable development, both in financial terms and programme development.

This case study shows that Humanitas can serve as a salient example for the innovative and adaptive capabilities of TSOs in the Netherlands. The organization bridges its tradition as voluntary organization and up-to-date management practices in a convincing way. The discussion on Humanitas' organisational experience is structured in the following way: First, the basic features of

Humanitas are outlined by focusing on the organization's history and mission, its organizational structure and financing. Second, the case study focuses on three crucial organizational challenges and explains how Humanitas has managed to deal with them. These two challenges are the quality of voluntary work, the demands for a professional management structure and the need for thoughtful advocacy work that accompanies programme development. For all three aspects challenges and organizational coping strategies are analysed in relation to each other. The case study concludes with a discussion of the unique experience of Humanitas which might serve as a relevant and useful example for TSOs in other sectors and/or countries.



2. ORGANIZATIONAL BACKGROUND

Humanitas can look back on a long tradition as social organization. In 2015, the organization celebrated its 70th anniversary. Humanitas was founded in May 1945 to provide support to the impoverished population after the Second World War. Since its beginning, Humanitas has grown into a nationwide organization with over 80 local chapters, divided over five districts all over the Netherlands. The main office of the organization is in Amsterdam.

Humanitas is a Dutch non-profit association focusing on social welfare and community building programmes. The mission of the organization is described as “support[ing] people who, for a range of different reasons, temporarily cannot manage on their own” (Humanitas 2016: missie en visie [mission and vision]). Annually Humanitas assists more than 60,000 people who are in need of a helping hand. Humanitas offers a broad spectrum of activities, ranging from buddy projects for immigrants to chat

services addressing loneliness, and from parenting support to support groups for people dealing with grief and loss. Participating in Humanitas’ projects and obtaining support is free of charge and available to anyone, irrespective of age, ethnicity, lifestyle and sexual orientation.

Within Humanitas, the core of social services is provided by volunteers. Some 22,000 well-trained volunteers are active in more than 700 projects (Humanitas 2016: feiten en cijfers [facts and numbers]). The organization’s volunteers are supported by a professional staff of around 300 people. Due to the importance of volunteers for the organization, Humanitas invests a lot of effort in the training and coordination and guidance of its volunteers. Each volunteer receives comprehensive training as well as continuous personal guidance. The training and educational services are organized by the Humanitas Academy.

2.1 History and mission of Humanitas

Humanitas was founded directly after the Second World War. At that time, social care in the Netherlands was predominantly organized in church communities (Humanitas 2016: onze geschiedenis [our history]). Outside church communities, social support was not guaranteed. As a result, citizens who did not belong to a church community (‘buitenkerkelijken’) often faced difficulties in sustaining their lifestyle if confronted with illness or other unforeseen problems. With establishing a social service organization, independent from religious denomination, the founders of Humanitas aimed at creating an alternative to church communities based

on humanistic values. The new organization was to provide social care for all citizens, irrespective of religion and social group.

The founders of Humanitas were the Social Democrats Joris in ‘t Veld, Piet Faber and Jo Boetje who were concerned about social security in Dutch society and wanted to play an active role in the country’s rehabilitation and development after the devastating years of the Second World War. The new organization was first called ‘Stichting voor Maatschappelijk Werk op Humanistische Grondslag’ (in English: Foundation for Social Work on a Humanistic Basics) which was soon to be renamed

into the shorter and catchier “Humanitas” (Humanitas 2016: onze geschiedenis [our history]).

The organization is guided by humanist values such as equality (of volunteer and client), responsibility (for yourself and others in society) and independence (the activities are geared towards ensuring that the clients can take control of their lives) (Humanitas 2016: About us). With “equality”, Humanitas emphasizes that volunteers and clients meet and work together on an equal basis. For Humanitas, it is important that volunteers stand on the same level as their clients and not above them. Volunteers can create a special value by providing practical help, friendly support and a listening ear (Humanitas 2016: onze aanpak [our approach]). The value “responsibility” reflects the need to take care for one another. Humanitas advocates for a society in which citizens take responsibility for themselves and for others. With “independence” Humanitas seeks to highlight the aim to enable clients to regain the competencies for leading an independent and dignified life. With this focus on independence, Humanitas aims to avoid that clients become dependent from welfare assistance and lose their ability to take care for themselves.

The history of Humanitas reflects the development of the Dutch welfare state since the second half of the 20th century (interview 2). In the first decades of its existence, Humanitas witnessed a steady growth of the organization which went parallel to the expansion of the welfare state in the Netherlands. Social security provisions and services were developed in collaboration with the third sector. As a result, TSOs such as Humanitas had an important role as social service providers. The emphasis of this development in the social sector was on the growth and professionalization of welfare state services. As a social

service organization, Humanitas greatly benefited from this expansion of the Dutch welfare state. In the decades after the end of the Second World War, the organization set up programmes in the areas of social care, child welfare, family care and social rehabilitation of ex-detainees (Humanitas 2016: onze geschiedenis [our history]). The high quality demands of the Dutch welfare state resulted in a steady growth and professionalization of social service providers. In those years, the focus of social care was on community development (‘samenlevingsopbouw’) which corresponded well with the vision of Humanitas.

In the 1980s, the nature of the Dutch welfare state started to change (interview 2). Due to the state’s demand for higher quality, professional care providers merged into big organizations. Instead of many small service providers, the state preferred to cooperate with big, professional organizations able to implement social service programmes in an effective and cost-efficient way (interview 2).

This development meant that the traditional role of Humanitas as social and community organization was challenged. In the 1980s and 1990s, the organization found itself in crisis. The number of members of the association went down, and Humanitas was not longer able to attract young people (Humanitas 2016: onze geschiedenis [our history]). In addition, long-term state subsidies such as the programme for societal activation dried up (Humanitas 2016: onze geschiedenis [our history]). These changes led to a crisis and new orientation of the organization (interview 2). Since the 1990s, Humanitas has developed a new vision on social care. It has thereby positioned itself as a voluntary organization that places voluntary effort in the centre of its attention (interview 2). Humanitas sees volunteers

not as a replacement, but as a valuable addition to professional social care (interview 3).

By placing emphasis on its particular strength of working with volunteers, Humanitas was able to distinguish itself from other organizations and became one of the main voluntary organizations in the field of social care and community development. A number of important legal changes facilitated this development. The Social Support Act (Wet Maatschappelijke Ondersteuning, WMO) of 2007 attached greater importance to citizens' individual responsibility for social protection and thereby underlined the role of a supportive environment which might include volunteers who can assist a client in regaining social capabilities (interview 2). Since the 1990s, Humanitas witnessed a continuous growth. More and more citizens turned to the organization for support from volunteers, often because they needed extra assistance in addition to professional social care (Humanitas 2016: onze geschiedenis [our history]).

Since the 1990s, the new legal regulations in the Netherlands have placed more emphasis on activation and self-reliance. Instead of passively depending on welfare state support, citizens are encouraged to play a more active role in creating and sustaining their own social network. In this new vision on a 'participating society', voluntary organization can play a key role, as they are able to

stimulate social capabilities through voluntary effort and mutual support (interview 2).

A second important policy change is the shift of welfare state responsibilities from the national to the local level. With the introduction of the second Social Support Act (Wet Maatschappelijke Ondersteuning, WMO) in 2015, Dutch municipalities acquired a more important role in social welfare provision (interview 2). This also means that Humanitas' cooperation with municipalities and other service providers at the local level became more intense. Humanitas understands its role as being part of a network of services and supports capabilities at the local level (Humanitas 2016: onze geschiedenis [our history]).

Due to its ability to respond adequately to new organizational challenges, Humanitas was able to develop as an organization. Over the past decade, the organization witnessed a steady growth, both in terms of volunteers, clients and organized activities. Between 2010 and 2015, the number of volunteers doubled (interview 2). In 2015, 22,000 volunteers and 60,000 participants (clients) took part in the activities of the organization (Humanitas 2015: jaarverlag [annual report]). Before turning to the discussion of organizational challenges and response strategies, the thematic orientation, organizational structure and financing of Humanitas will be explained.

2.2 Humanitas today

At present, Humanitas is one of the main social service and community organization in the Netherlands. Its unique feature is the combination of social care and volunteer work. The development of voluntary work is central to the organization. With this focus, Humanitas

distinguishes itself from other service providers in the social sphere which are more orientated towards professionalized care.

Humanitas underlines the importance of self-reliance. With its support, the

organization wants to enable its clients to regain strength and develop their capabilities for regaining control over their life. Based on the values of equality, responsibility and independence, the organization's volunteers help clients to activate their potential and thus to improve their situation by themselves. The assistance of clients is free of charge, temporary and based on equality between volunteers and clients (Humanitas 2016: Onze aanpak).

The projects organized by Humanitas can be divided into six focus areas: (1) loneliness (strengthening social contacts and creating support networks for people experiencing solitude), (2) loss

(coping with losses and life changes), (3) parenting support (assistance for families going through crises), (4) growing up (child welfare and youth programs with a focus on school and family matters), (5) detention (support of prisoners and ex-detainees in their social reintegration) and (6) household administration (assistance with the financial management of household affairs). Each focus area has between 3,500 and 25,000 participants and between 800 and 8,500 volunteers. In terms of participants and volunteers, the focus area "loneliness" is the biggest program of the organization (Humanitas 2016: Factsheet).

In many areas, Humanitas works with so-called "buddy projects" in which volunteers work together with clients on a one-to-one basis. As buddies, volunteers can help in many different ways: They assist with solving day-to-day problems, ease the communication with welfare institutions, organize leisure time activities or just have an open ear. Buddy projects are very popular with both volunteers and clients and are therefore regarded as a particularly valuable activity of the organization (interview 1). This has to do with the fact that buddy projects focus on a core advantage of voluntary work. They enable a personal relationship between volunteers and clients. Volunteers have direct access to their clients. They are not seen as part of the professional care system, but as a fellow citizen who shows personal interests and can assist in a personal and informal way (interview 3). Volunteers can thus provide a special form of personal assistance that is not always possible for professional care providers. In buddy projects, volunteers can therefore create an added value to professional social care.

Examples for buddy projects are voluntary support in prisons, home administration and the so-called Homestart program (interview 2). In the prison or



detention projects, volunteers regularly visit detainees and assist them in their rehabilitation process. The volunteer supports the prison inmate to prepare for his or her release and new start after detention. In the case of home administration, volunteers give advice to people with financial problems. The volunteer regularly visits the client and assists him or her in reorganizing the household finances. In the so-called Homestart project, volunteers provide practical support to young parents.

In all three examples of buddy projects, volunteers and clients work together on a one-to-one basis which facilitates

the development of a trustful relationship between the two. The basic idea is that the personal support of volunteers enables clients to develop the necessary skills to improve the situation and regain control over their life. It is therefore crucial that the assistance of volunteers is of temporary nature. The project ultimately aims to strengthen the clients' capabilities and self-reliance so that no more assistance is needed. In this way, Humanitas seeks to help people to solve their problems, as independently as possible and in their own way (Humanitas 2016: Organisatie).

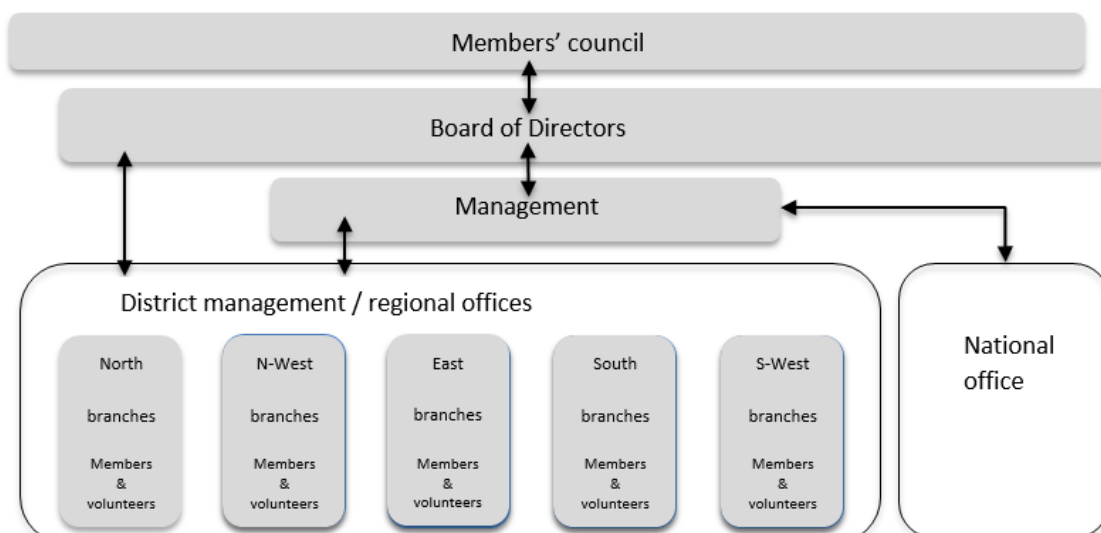
2.3 Organizational structure

Humanitas was originally founded in 1945 as a foundation ('stichting'). In 1948, the organization was transformed into an association ('vereniging'). Today, the organizational structure is described in the statute of the organization which has been changed for the last time in December 2013 (Humanitas 2013: Statuten). According to the statute, the full name of the organization is "Humanitas.

Nederlandse Vereniging voor maatschappelijke dienstverlening and samenlevingsopbouw" (English: Humanitas, association for social care and community development).

The statute outlines the organizational structure of the association. The internal governance of Humanitas is based on a two-tier board system. The direc-

Figure 1: Humanitas – organizational structure



Source: Humanitas: Organisatie [Organisation], 2016

torate of the organization ('directie') reports to the general committee ('hoofdbestuur'), or board of directors, which in turn is accountable to the members' council ('ledenraad'). The members' council is the core decision-making institution of the association. Its 25 members are elected by the district councils. The Directorate, general committee and members' council are supported by 300 professional staff members.

Humanitas' national office is based in Amsterdam where the majority of the 300 professional staff members work. The governance model of the organization, however, is characterized by a decentralized, local structure. Throughout the country, there are 84 local branches which all have their own board, formed by voluntary board members who are elected by the local members' councils. The local branches are organized into five districts which are headed by a district manager. Annual meetings are organized at the local, district and national levels.

As social organization, Humanitas is a member of several networks at the local, national and European level. In the Netherlands, Humanitas is member of the Humanistische Alliantie (Humanist Alliance, a network of humanist organizations in the Netherlands), the So-

ciale Alliantie (Social Alliance, a network against poverty and social exclusion in the Netherlands), Coalitie Erbij (a coalition of Dutch organizations working against loneliness) and the umbrella organization of Dutch charities Goede Doelen Nederland. Furthermore, Humanitas actively participates in the Association of Dutch Voluntary Effort Organizations (NOV) and the discussion forum LOVZ that aims at representing voluntary organization in social care and support.

At the European level, Humanitas is member of Solidar (a European umbrella organization of civil society organizations which are working to advance social justice in Europe and worldwide) and Volonteuropa (a European network promoting the values and principles of volunteering, active citizenship and social justice).

In addition to the participation in national and European umbrella organizations, cooperation at the local level is crucial for Humanitas. The organization actively works together with municipalities and other social organizations. The aim of this local cooperation is both the implementation of social projects and the development of a common policy agenda.

2.4 Financing

As a social organization, Humanitas has a broad variety of income sources to finance its programs and projects. There are five main income sources: (1) income from fundraising activities, such as contributions, private donations and legacies, (2) income from external fundraising activities including the Dutch Postcode Lottery and the Friends' Lottery, (3) government subsidies from municipal, provincial and national governments, (4) income from investments,

and (5) income from organized project activities such as revenues, rents, participants' contributions and administrative services (Humanitas 2015: jaarverlag [annual report]).

In 2015, the overall income of the organization was 23.5 million EUR. The main income sources were government subsidies (15.4 million EUR), income from external fundraising activities (5.4 million EUR) and own fundraising activities (2.1

million EUR) (Humanitas 2015: jaarverlag [annual report]). The expenditures amounted to 22.5 million EUR in 2015. In terms of expenditures, the focus areas parenting support (6.9 million EUR) and loneliness (6.3 million EUR) were the most cost-intensive in 2015 (Humanitas 2015: jaarverlag [annual report]).

Contributions and private donations are important for Humanitas. In 2015, the organization saw a positive trend both in its own fundraising activities and in external fundraising. Income through fundraising activities grew by around 250,000 EUR or 14%. Humanitas is listed as a 'public benefit organisation' at the Dutch tax department and holds a 'seal of approval' from the Central Bureau on Fundraising (CBF). This means that private donations to the organization are exempted from tax.

In its annual report, Humanitas also calculates the economic value of its volunteers. The economic value of volunteering is thereby defined as the costs attributed to the work of all volunteers in the organization, calculated on the basis of a corresponding hourly wage and the total number of hours contributed by the organization's volunteers

over a year. For 2015, Humanitas estimated the annual value of its volunteering to be 70 million EUR (Humanitas 2015: jaarverlag [annual report]). The economic value of volunteering is a helpful construction for assessing the relevance of volunteering. It shows that Humanitas generates more than three times as much value through voluntary work than through financial income. With an increase in the number of volunteers, the Humanitas' economic value of volunteering is also on the rise. In 2015, it has increased by 27 percent in comparison to 2014, when the economic value of volunteering was estimated to be 55 million EUR (Humanitas 2015: jaarverlag [annual report]).

Overall, the financial situation of the organization is stable. Over the past couple of years, Humanitas observed a growth in income and activities. This also translates into an increase in the number of participants (5%), volunteers (25%) and employees (14%) in 2015 in comparison to the previous year. After the presentation of the organization's history and mission, its organizational structure and financing, we will now turn to the discussion of challenges and organisational strategies.

3. CHALLENGES AND ORGANISATIONAL STRATEGIES

In the discussion of challenges and organisational response strategies, this case study focuses on three important issues that have been identified as crucial for the development of the third sector in the Netherlands and for Humanitas in particular.

The first issue concerns the changing nature of voluntary work and Humanitas' strategies to deal with this development. Voluntary work has become more flexible and short-term. In contrast to the past, volunteers have become less

attached to specific voluntary organizations and focus more on voluntary activities that they prefer. Humanitas had responded to this trend by investing into the quality of voluntary work. The growing numbers of volunteers in the organization show that this response strategy has been successful.

The second issue deals with the internal management of Humanitas as a voluntary organization. As many other organizations, Humanitas has to balance between the needs of a membership

organization, based on democratic decision-making structures, and the requirements of a professional directorate that assists the local branches of the organization. Humanitas responded to these challenges by introducing a two-tier governance system with the members' council as main decision-making institution and the national directorate as key management structure.

The third issue regards the advocacy function of the organization. As for

many organizations, advocacy plays an important role for Humanitas. In its advocacy work, Humanitas focuses both on its main mission – to help people in difficult life circumstances – and for a good organization of voluntary work. Humanitas thus advocates both on behalf of its clients and its volunteers.

In the following the three issues will be discussed in detail. For each issue the challenges and organizational response strategies will be analysed.

3.1 Humanitas and the quality of voluntary work

In comparison to many other European countries, the level of volunteerism has remained high in the Netherlands. According to a recent study from the Statistics Netherlands, about 50% of the Dutch population is engaged in voluntary work on a regular basis (Arends & Flöthe 2015). The level of volunteering among the Dutch population has remained relatively stable and organizations in general benefit from a supportive legal environment and high levels of support among the population (Brandsen/Pape 2016).

However, the character of voluntary work has been changing in the Neth-

erlands over the past two decades. This recent development has posed a challenge to traditional voluntary organizations such as Humanitas. Volunteerism has become more diverse and fluid. New forms of communication like internet platforms and social media allow for a broad spectrum of voluntary activities, e.g. volunteering via the internet, flexible volunteering and new initiatives outside traditional voluntary organisations. Communication technology has made it easier for individuals to organize their own voluntary and charitable activities, which means that they become less dependent on traditional voluntary organizations.

In addition, there is a trend towards more flexible, tailor-made forms of voluntary work. Many volunteers want to become active on a short-term basis, e.g. by volunteering at cultural festivals or other events, rather than being committed to an organization for a longer time. This is a big difference to previous generations of volunteers who have often served at one organization for a long time period, sometimes as a life-long commitment. Furthermore, parallel to the trends towards more flexibility, volunteers have also become more vocal about their voluntary commitment.



They want to decide by themselves how they get active. As a result, the links with formal voluntary organizations become weaker. Often, volunteers do not need organizations anymore to organize their voluntary activities.

These developments are challenging for traditional Dutch voluntary organizations. The organizations need to respond to the expectations of current and prospective volunteers, if they do not want to lose the competition with new charitable initiatives. As a result, the demands towards organizations have increased. The recruitment of volunteers has become more difficult, as volunteers can choose from among different opportunities. Organizations need to create interesting programs in order to find suitable and motivated volunteers. They also need to invest in training and supervision to guarantee that volunteers stay with the organization.

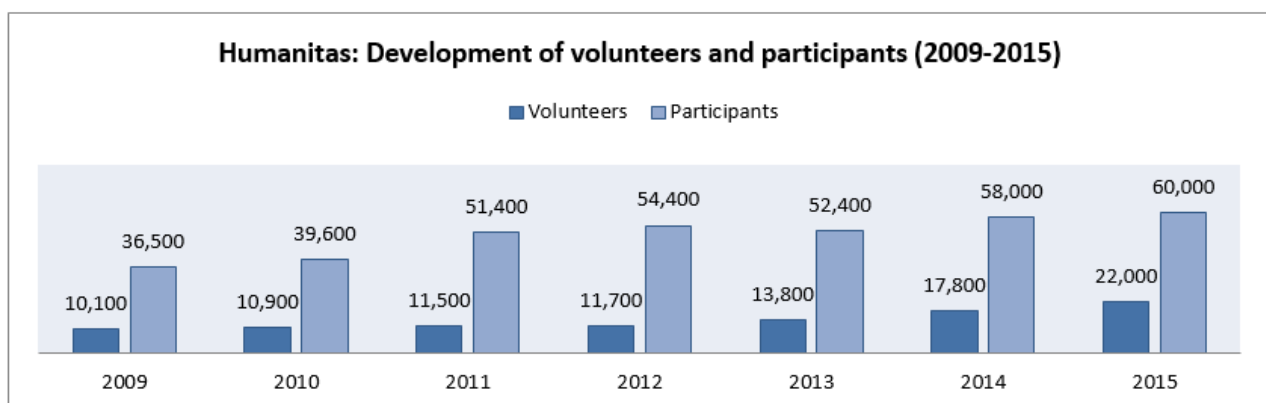
As a result of the new, diverse forms of voluntary action, volunteers in the Netherlands become more committed to certain activities than to organizations. Volunteers are less loyal to a particular organization than they used to be in the past. Therefore, organizations need to invest in the quality of voluntary work in order to attract and bind volunteers to the organization.

The new forms of voluntary action require changes in the management of voluntary organizations. The management or coordination of volunteers needs to be flexible in order to meet the demands of the volunteers and needs to focus on the quality of voluntary work. The relationship between volunteers and professional staff members in voluntary organizations is changing. In some cases, volunteers have equal or even more professional qualifications than paid staff members. This raises the question about the relation of paid and unpaid work.

These changes have also affected Humanitas. In the 1980s and 1990s, the organization went through a crisis. The number of members and projects within the organization decreased. New guidelines on subsidies in the social sphere forced the organization to readjust its project management. This organizational crisis led to a repositioning of the organization. Whereas before Humanitas used to have a broad profile with programs working both with professional and voluntary care, it now decided to define itself as a voluntary organization and to entirely focus on voluntary care (interview 2).

This organizational change has proved successful. In the following years, Hu-

Figure 2: Humanitas – Volunteers and participants



Source: Humanitas, annual reports 2010-2015.

manitas has been able to develop its programs of voluntary care and to grow as an organization. With the explicit focus on voluntary effort in social care the organization succeeded to attract an increasing number of volunteers. The annual reports show that over the past ten years the number of volunteers and project participants has steadily increased. Between 2010 and 2015, Humanitas managed to double the number of volunteers. With a growing number of volunteers, the organization has also been able to accept more participants into its programmes and projects.

What were the reasons that enabled this positive development? Humanitas' success can be explained through a combination of reasons. Most importantly, Humanitas has convincingly focused on enhancing the quality of voluntary work. By designing interesting and valuable volunteer activities, the organization succeeded in recruiting new volunteers and creating a supportive environment that make many volunteers stay in the organization.

For a good quality of voluntary work it is essential that volunteers are professionally prepared and accompanied by their organization. This is the reason why Humanitas places much effort on training and supervision. Within the organization, the so-called Humanitas Academy is responsible for the preparation and supervision of volunteers. The Humanitas Academy organizes volunteer training programs and thematic workshops throughout the country. Each new volunteer of the organization receives a general introduction, a basic training focusing on the activity the volunteer has registered for and regular workshops where volunteers can exchange experiences and discuss problems on a regular basis (Humanitas 2016: Humanitas Academy). In addition to training and supervision, the professional coordination of volun-

teers plays an important role for Humanitas. All of the 82 local branches in the Netherlands have several coordinators who organize voluntary work in the six program directions of the organization (interview 2). The coordinators are responsible for the recruitment of volunteers, for their training and supervision and for the organization and development of program activities (interview 2). Most of the coordinators are employees of Humanitas and are professionally trained in Social Work or related fields. In addition, the organization has a small percentage of voluntary coordinators in programs where all tasks are fulfilled by volunteers.

The position of paid coordinators is central for guaranteeing the quality of voluntary work. This is all the more important, as Humanitas is increasingly engaged in complex social support programs and assists vulnerable population groups such as ex-detainees, immigrants or families facing difficult social circumstances. A professional coordination is therefore necessary, as one representative of the organization explained: "When working with vulnerable groups, quality and continuity is central. People need to be able to count on the organisation. For this you need paid coordinators" (interview 2).

For the funding of program activities, it is not an easy task to convince donors that the professional coordination of voluntary work requires financial resources. However, according to a representative of Humanitas, "the professional coordination of voluntary work is a critical success factor" (interview 2). The organization therefore emphasizes the added value of its approach. Nevertheless, fundraising for the coordination of voluntary work remains a challenge: "People tend to think that voluntary work is just free of charge. We have to explain that volunteers need training, supervision and coordination in order

to make their effort a meaningful contribution" (interview 2).

In designing its voluntary programs, Humanitas focuses on the strength of voluntary work which encompasses the personal relationship between volunteer and client. As compared to professional care, the input of volunteers has an added value to offer. According to Humanitas, "volunteers can mean something for other people, what professional care providers cannot mean for them" (interview 2). The social re-integration programs in prisons serve as a case in point: "In the prisons, for example, volunteers have the ability to build a personal bond with a prison inmate. A professional care provider is always perceived as a representative of the system. A volunteer, on the contrary, is seen as a human being who takes real interest in the person" (interview 2).

Despite the many advantages of voluntary participation, Humanitas, however, does not conceal the limitations of voluntary work: "Volunteers do not have professional authority. [...] They can therefore not be a replacement for professional care providers" (interview 2). Recognizing these limitations is also an important element in the professional organization of voluntary work (interview 3). With Humanitas, each volunteer has a clearly defined assignment which is agreed upon at the start. When facing problems in the communication with their clients, volunteers can turn to their coordinators for advice. Problems that exceed the responsibilities of volunteers can be transferred to a professional social care organization involved in the client's trajectory (interview 3). Both clients and volunteers thus depend on good supervision. Within each program, the coordinators are responsible that all volunteers adhere to their responsibilities and tasks. Humanitas therefore underlines that voluntary work cannot replace professional care, as some responsibili-

ties are reserved for professional service providers (interview 2).

In developing voluntary programs, Humanitas is collaborating with other social care providers. At the local level, many programs are realized as a joint effort between municipalities, professional social care providers and Humanitas as voluntary organization (interview 2). The combination of professional and voluntary care thereby offers many synergy effects. A good example is the recent re-organization of youth care in Netherlands. Whereas in the past, youth care was heavily professionalized, there is now a much broader role for the involvement of civil society.

Humanitas is good in finding new forms of collaboration between professional and voluntary care. As a voluntary organization, Humanitas strives to develop social services that empower participants to develop their own problem-solving capacities instead of making them dependent on professional assistance. This experience can help to re-design youth care services in a more activating and empowering way. A combination of professional care and voluntary effort can therefore improve youth care programs in the Netherlands (interview 2).

In order to guarantee the quality of voluntary work, Humanitas monitors the level of satisfaction among its volunteers in a so-called research on volunteers' satisfaction ('vrijwilligerstevredeneheidsonderzoek') which is conducted every four years. In 2014, a vast majority of volunteers said they were satisfied with their voluntary work at Humanitas, with the overall assessment being 7.6 out of 10 points. The results of the Volunteer Satisfaction Survey 2014 were used in the development of the strategic plan for the period 2016-2019 (Humanitas 2015: jaarverslag [annual report]).

In recent years, monitoring and impact measurement have become more important for Humanitas. The organization thereby seeks to identify the added value of its programs for participants, volunteers and external stakeholders of the organization. Humanitas has also conducted research on its popular buddy programs and on the role of paid coordination positions for improving the continuity and quality of its voluntary activities. Humanitas has thereby followed the objectives of “making its results more visible” (Humanitas 2011: strategy plan 2012-2015).

To conclude, the professional coordination of voluntary work, good quality training and supervision of volunteers as well as cooperation that considers the advantages of both professional and voluntary care are essential for Humanitas’ approach. By investing in the quality of voluntary work, Humanitas has managed to distinguish itself as an important voluntary organization in the field of social care.

3.2 Ensuring the professional management of a voluntary organization

This paragraph deals with the internal challenges Humanitas faces as voluntary organization. Research in the TSI project has shown that many TSOs in the Netherlands are confronted with increasing demands on organizational accountability and transparency (Brandsen/Pape 2016). In the competition on state subsidies and private donations, TSOs can no longer rely on their good reputation as a charity organization, but need to demonstrate that they achieve palpable results for society (Brandsen/Pape 2015).

This trend towards increased governance requirements also holds true for Humanitas. As we have seen in the previous paragraph, the focus on the quality of voluntary work enabled the organization to develop its profile as voluntary organization in the social sector. Humanitas’ emphasis on the involvement of volunteers in social care has thereby been an important success factor.

However, as we have seen above, good voluntary work needs good preparation, coordination and supervision. Humanitas

therefore has a professional management structure that facilitates the organization of programs and project activities. Currently, more than 20,000 volunteers are active in the organization on an annual basis. Humanitas’ volunteers are supported by a professional staff of around 300 employees.

For its internal organization, Humanitas chose a two-tier governance system with a board of directors and a so-called “Members’ Council” as two supervisory institutions alongside each other (see also 1.3. organizational structure). The managing director is accountable to the board of directors (“hoofdbestuur”). The Members’ Council (“ledenraad”) oversees the board of directors and appoints the six members of the board.

The members’ council is a relatively new institution within Humanitas. It was established in 2014. Its 25 members are elected by the district councils. The national secretariat with approximately 300 employees exists parallel to the associational structure of Humanitas which consist of three levels (local

branches, district councils and members' council).

Each local branch has a board consisting of voluntary board members who are elected for a period of two years with a possibility to be re-elected for a second term. The board members of the local branches elect the district councils which in turn oversee the organization's work in six regional councils. This multi-level governance structure ensures that organizational decisions are taken in a democratic way. Local members have the opportunity to exercise control and to produce new ideas for organizational development.

Within Humanitas, the internal management structure does have its problems. According to a staff member of the organization, the majority of volunteers are first and foremost interested in doing practical work in one of the organization's programs or projects (interview 2). Only a small minority of volunteers take an interest in organizational questions and are prepared to serve as a voluntary board member in their local branch: "The problem is that volunteers want the organization to be run smoothly, but are not interested in taking responsibility for organizational questions" (interview 2). Most of the volunteers expect that the organization of voluntary work is taken care of by the organization's employees and the professional project coordinators.

Humanitas is a member-based organization. It distinguishes between donating and volunteering members. In 2013, Humanitas had 8,093 donating members (these are members who support the organization financially) and 3,557 volunteering members (these are members who support the organization with their voluntary work) (Humanitas 2013: jaarverslag [annual report]). Most of these members, however, see their membership as a regular dona-

tion or voluntary input rather than a further-reaching responsibility for the organization's development. Most members do not take part in annual meetings. Both at the local and the district level, Humanitas has to take a lot of effort to attract sufficient members and volunteers for the organization of annual meetings. In many cases, annual meetings are organized in combination with a "nice activity", e.g. a workshop or social gathering, so as to attract participants (interview 2). This shows that the associational structure is very costly and time-consuming for the organization.

One of the staff members explained: "Our structure as association is an ongoing concern. The problem is that members – as a rule – do not want to take responsibility for the long-term development of the organization. Volunteers want to have a voice in the decision-making about their specific activities. However, they are less interested in the functioning of the organization as a whole." (interview 2).

Humanitas has responded to the challenge of keeping an associational structure by investing in the association's institutions. One example is the establishment of the member's council in 2014. With this step, Humanitas underlined that key decisions are made by the members of the organization and their representatives. In other parts of the organization, Humanitas has adjusted its governance structure. It has introduced a new rule mandating that voluntary board members can only be re-elected once (interview 2). Since the introduction of this rule, the functioning of the voluntary boards has become more dynamic. It means that each local branch has a completely new board every eight years (interview 2). As the tasks of voluntary board members are interesting, Humanitas does not experience difficulties in recruiting voluntary board members (interview 2). On the contrary, over

the past seven to eight years, the number of board members and their competencies has increased (interview 2). We can conclude that the decision for a more dynamic organization of the local boards and for more individual responsibilities has had a positive effect on the local branches.

Another response strategy is the focus on professional management of the organization which is mainly taken care of by the Amsterdam based national secretariat where the majority of Humanitas' employees are working. The main responsibility of the national secretariat lies in providing organizational support for the regional and local branches of the organization. As explained by a staff member of Humanitas, it is important for the organization to have a lean and professional organization (interview 2).

Sometimes, difficulties emerge between the responsibilities of the national secretariat and the local branches. One example is the need to follow the accountability requirements for holding the "CBF keurmerk" (English: CBF seal of quality) which applies to all charity organizations in the Netherlands. The "CBF keurmerk" is issued by the "Centraal Bureau Fondsenwerving" (Central Office for Fundraising Activities), which is a Dutch umbrella organization that monitors the activities of charity organizations. Only organizations that meet the requirements in terms of philanthropic mission and activities, transparent governance and transparent financial planning and reporting qualify for the CBF seal of quality (CBF 2016).

Financial accountability and transparency are essential for Humanitas, as the organization depends on the seal of quality for engaging in fundraising activities (Interview 2). Therefore, the national secretariat has to ensure that the requirements are met. One staff member of Humanitas explained the

situation as follows: "One Dutch NGO was running the risk of losing the seal of quality, because a local branch did not comply with the rules. This is also a risk for Humanitas. Therefore, our central office has to make sure that all branches work according to the rules. We cannot allow ourselves to lose the seal of quality!" (interview 2). The accountability requirements thus lead to a high degree of centralization within the organization that sometimes is in conflict with the local branches' sense of autonomy. Another representative of Humanitas noted that "it is sometimes difficult to find the right balance between a professional and a voluntary organization." (interview 3).

Humanitas has strengthened the professionalization of its internal governance structures by developing monitoring and evaluation procedures. One example is the regular volunteer satisfaction survey which aims to evaluate the voluntary projects of the organization.

In 2015, Humanitas decided to develop a new monitoring system that can measure key indicators in a structural way (interview 3). As a first step, an overview was made over already existing practices of monitoring and evaluation in the organization. Many of the branches were conducting evaluations. However, these evaluations were done in very different ways and often not in a consequent and coherent fashion. As a result, information on key indicators was fragmented (interview 3).

Humanitas therefore decided to set up a new monitoring and evaluation system (M&E system) that would bring together all necessary information. The new M&E system was developed at the national secretariat and was provided to all local branches. The central idea is to use one evaluation format which can be applied in different project trajectories

(interview 3). In 2015, Humanitas tested the M&E system in the Homestart project in which volunteers offer support to families in difficult life situations. In the test phase, around 300 participants of the Homestart project in different local branches in the Netherlands took part in the evaluation.

The new M&E system is an impact measurement that evaluates the individual perception of the participants. Project participants are asked how they assess the impact of their project participation on their life situation. The impact measurement is thereby looking into a number of dimensions ('leefgebieden', 'life areas') that are derived from the Self-Sufficiency Matrix (SSM), developed and used by the GGZ Nederland, the Dutch Association of Mental Health and Addiction Care. The SSM is a tool that enables practitioners and policy-makers to assess the degree of self-sufficiency of their clients simply and comprehensively. The evaluation form is divided into 11 life areas, such as living, upbringing, health and civic participation (interview 3).

Humanitas decided to use this form of impact measurement, as it best suits the organization. With the developed evaluation format, project participants can decide by themselves to what extent they have become more self-sufficient than before (interview 3). It is thus a subjective perception of impact. Humanitas chose a very pragmatic approach to measure the effect which combines two objectives. On the one hand it is feasible for the organization; on the other hand it leaves sufficient room for the individual experiences of volunteers and project participants (interview 3).

To sum up, we can conclude that Humanitas has managed to guarantee a professional management of the organization, while at the same time preserving its key characteristics as voluntary organization. The most important elements of this strategy is the two-tier governance structure, the design of the national secretariat as main support structure and the development of impact measurement tools that evaluate the effect of projects based on individual experiences and perceptions.

3.3 Advocacy for voluntary work

To support its voluntary work, Humanitas conducts advocacy work at different levels. First of all, it advocates for its clients at the policy level. The approach of Humanitas focuses on empowerment and responsibility. In its social programs, Humanitas seeks to provide clients with the opportunity to acquire problem-solving capabilities and regain the control over the own lives (Humanitas 2016: Onze aanpak [Our approach]). This empowering view on social care programs is also the guideline for Humanitas' advocacy work.

A second level of advocacy is the practical level. In social projects, such as men-

toring and buddy projects, volunteers take the role as advocates for the interests of their clients. Mentors or buddies help to build up the communication with social care institutions, such as social assistance and employment offices or health care institutions. By serving as a bridge between their clients and the official agencies, they assist in representing the rights of their clients who often lack the capability to advocate for their own rights. According to Humanitas' empowerment approach, the objectives of mentoring or buddy projects ultimately lie in providing clients with the opportunity to acquire the necessary social skills and re-gain control

over their own lives (Humanitas 2016: Onze aanpak [Our approach]). Examples for this empowering approach are the clients' councils that exist in many of Humanitas' project. In a client council, clients have the opportunity to discuss and jointly develop the organization's policies (Humanitas onder dak 2016: inspraak en belangenbehartiging [participation and advocacy]).

Humanitas also advocates for a development of voluntary work in the Netherlands. The organization is a member of several umbrella organizations, including NOV, the Dutch Association of Voluntary Effort. With more than 300 member organizations, NOV is the leading organization within the voluntary effort sector of the Netherlands (NOV, 2016). NOV is the central spokesperson and lobbyist of voluntary work in the Netherlands (NOV, 2016). By actively

participating in umbrella networks, Humanitas supports the advocacy work of NOV. In addition, Humanitas contributes by promoting voluntary work through programs and projects. By focusing on social impact measurements Humanitas seeks to make its results as voluntary organization more visible in society. The organization thus also advocates for the value of voluntary involvement in social care.

Humanitas advocacy work goes hand in hand with its voluntary programs and projects. The organization does not have a specific advocacy department, but includes advocacy work in all of its communication with policy-makers and with the public. With this comprehensive approach, Humanitas is able to reach a broad audience.

4. CONCLUSIONS

This case study presents the experiences of Humanitas as an example for a third sector organization in the Netherlands. As many other TSOs, Humanitas has been facing many changes over the past decades. Structural funding for social care programs has become scarce, and the organizational requirements for TSOs have increased. It is no longer sufficient for TSOs to engage in charitable work. In the competition on scarce project resources, organizations need to meet strict accountability and transparency requirements and demonstrate to donors and the public that they are able to achieve palpable results. Furthermore, Humanitas' area of work, social care, has become more complex and challenging. Social organizations are required to cooperate with a multitude of internal and external stakeholders, ranging from municipalities and professional care providers

to clients and volunteers. In such a social partnership each individual organization needs to develop its strategic position.

Humanitas has successfully managed to keep up with the times. After a difficult period at the beginning of the 1990s when traditional funding mechanisms were restructured and the organization experienced difficulties in reaching new members and volunteers, Humanitas positioned itself as voluntary organization in the social sphere. In contrast to professional care providers, Humanitas has focused on the participation of volunteers in social care programs and developed this approach as a unique characteristic that distinguishes the organization from others. With this approach, Humanitas has convincingly strengthened its position as voluntary organization in the

field of social care, attracted many new members and volunteers and broadened its program activities over the past ten years.

What are the secrets behind Humanitas' success? First, the organization has convincingly focused on the quality of voluntary work by investing in coordination, training and supervision of volunteers. Second, Humanitas strengthened its professional management structures by adopting a two-tier governance model with the members' council as main decision-making institution and by enhancing the key support function of the national secretariat which assists the district offices and local branches in their daily operations.

Furthermore, Humanitas has adopted impact measurements tools, such as volunteers' satisfaction surveys and integrated project evaluations, which enhance the visibility of the organization's results. Third, Humanitas has engaged in advocacy work, extending both on the project and policy dimension, in order to support its service delivery function. Special attention is thereby devoted to the empowerment approach which stimulates the clients' capacities instead of creating dependencies and the advocacy

for voluntary participation in social care, which is a central mission of Humanitas.

Due to its long presence in the Netherlands, dating back to 1945, Humanitas represents a traditional platform for volunteerism in the country. The organization is guided by humanist values such as equality, responsibility and independence. Overall, Humanitas reaches more than 57,800 people on a yearly basis in programs that range from parenting support to organizing buddy projects for immigrants. Volunteers thereby represent the main source of mobilization. A distinctive point in the promotion of civic engagement is Humanitas' commitment to provide qualification and training to their participants.

By focusing on professional management and coordination of voluntary work, Humanitas has strengthened its position in the social sphere, while at the same time preserving its tradition as voluntary organization. The adoption of impact measurement and evaluation tools helps Humanitas in making results more visible and communicating the social value of its programs.

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FEDERATION OF MUSICAL SOCIETIES OF THE VALENCIAN COMMUNITY

ABSTRACT

The Federation of Musical Societies of the Valencian Community (FSMVCV) is a Cultural Third Sector umbrella that leads and integrates a large network of musical associations and their music schools of this Spanish region, probably one of the most powerful musical civil society movements of Europe. The strategy's success of the FSMVCV is to

diversify its core activity, from advocacy to become the head of a cultural cluster integrated by democratic and civil engaged associations. It has performed the cluster's planning and strategical reflection tasks, has undertaken projects of general interest for the group with non-competitive diversification and professionalisation logics

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with grass-roots units. Moreover, it has developed organisation innovations, and has institutionalised a system of al-

liances with other strategic actors in the region; e.g., the University of Valencia and with Public Administrations.

History: Overcoming the traditional advocacy function to become the leader of a 'cultural non-profit cluster'

Musical Society Associations have a long-standing tradition in the region and are internationally recognised. Nowadays, they include 40,000 musicians (professionals and amateurs) who account for almost half of the Spanish total, 60,000 pupils in their music schools and over 200,000 members. These associations are also deeply rooted in the region, as they exist in 90% of the towns and villages. This civic engagement is due to a traditional social will to participate and practise democracy, with quality and enjoyment of classical and popular/festive music. It is not surprising that this was the region where the first Spanish Law of music was approved in 1998.

The association phenomenon of Musical Societies has never stopped growing since the 1970s, both in terms of the number of associations and their size and organisational development. Many associations have followed a diversification pattern of the services provided in the musical sector, but also of the professionalisation of their management and services. This has allowed their traditional management model to be transformed according to amateur and voluntary participation.

During this time, the cultural musical sector has undergone two major transformations, the first of which was led by the public sector. Since the end of the Franco dictatorship in 1978 and the subsequent introduction of democratic regional governments, a new cultural policy unfolded. This policy was based

on publicly regulating the sector and offering public services and support-collaboration with the Cultural Third Sector. Support has not only been financial but also in the form of facilities. The FSMCV has been a main partner of the regional government in designing and implementing such policies. The second transformation was to develop and productively diversify this cultural musical sector with the appearance of economically profitable subsectors. This has facilitated the entry of business enterprises, for example in the sales and production of musical instruments, or in specialised musical training and events. All of this has led to Musical Societies facing new challenges.

The role of the FSMCV in this territorial cluster of cultural SME TSO has also varied with time. It has gone from performing the above-mentioned tasks that represent and defend interests before regional and state Public Administrations to making the social image of these societies and their music as a group more visible, to playing the driving role of this system/cluster in the Perroux sense. Its activity has been extended in three directions: one, by offering services to member associations, especially small-sized ones with less economic capacity; two, developing projects of general interest for the whole association network, such as international (European and Latin American) projects; three, by assuming the role of this association movement's strategic and transforming leadership, as if it were the 'Head of Cultural Third Sector Cluster.' This last

significant role is particularly tricky, as it entails overcoming tensions that occur among the desire for this association movement's socio-economic coordination and integration, the object to increase its economic efficiency, cohesion and competitiveness, and the resilience of many of its basic units, especially the

strongest ones, to lose autonomy. Such tensions are quite habitual during processes to integrate social economy business systems such as cooperatives (e.g. agricultural cooperativism, credit cooperativism, the Mondragon cooperative group –See Schediwy 2000).

Legal form and mission

The legal form of FSMCV is an association. It was founded in 1968 during the dictatorship in order to join forces to foster the collective development of this cultural association movement. In the first decades, its major activities included facilitating access to national public funds and improving the social visibility of Musical Associations and their representative function.

Nowadays, FSMCV aims to widely promote and develop Musical Societies by boosting their growth and diversifica-

tion and by improving their music education task and their socio-cultural activity by paying special attention to the growth and standards of their music schools, music training for young people and their all-round education, perfecting their members' management model and progressively training their managers to perform their tasks. It also aims to promote, spread and dignify the love, teaching and practice of music to boost the association's movement and to offer civil society a medium for cultural development and coordination.

Governance and stakeholders

Musical Society Associations are organised in a federative democratic and territorial model that integrates both voluntary and professional dimensions. The 547 member associations are grouped into three provincial presidencies which, in turn, are responsible for district presidencies. The umbrella body (FSMCV) has a unitary organisation and is structured in such a way that communication flows freely and continuously in both directions; that is, between the Executive Board and all members. The FSMCV

management structure integrates volunteers who are democratically chosen by Member Associations. Regarding the federation's management, the Executive Board works in a systematised and planned way with a matrix of projects. Each project is headed by a board member and has a Support Committee that may be made up of board members, other persons from the federation, employees, technical personnel, external personnel, etc.

Finances and personnel

Musical Society Associations are traditionally private fund-based non-profit organisations. According to Rausell et al. (2013), 77% of their funds derive from private market sources, mostly payments made by users of services and product sales, such as fees paid to the music schools of these associations, or payments from municipalities for local festivals. Only 21% derive from public subsidies, mostly from the regional gov-

ernment. Membership fees represent around 5% of income and lotteries around 4%. There are differences between associations depending on size. The larger they are, the more private market-oriented they become, especially in fees paid to music schools by individuals, and the less dependent they are on local subsidies. The FSMCV is more dependent on regional subsidies.

Activities and specific impact

The network of Musical Societies and music schools and bands form a cultural, social and educational project that is unique worldwide. This network has traditionally contributed to safeguard the region's intangible cultural and musical heritage, to strengthen the territorial and social organisation and regional identity, including the Valencian native language, as music is found in the most deeply rooted arts and is one of the essential features of the region's culture. Musical Societies have also contributed to promote oral traditions and expressions, the musical creation of Valencian composers, the incubation of new

groups of artists and musicians within Musical Societies. Additionally, the societies put on concerts and recitals, promote intergenerational dialogue and encourage interculturality as a vehicle for social inclusion by promoting the performance of arts, social practices, rituals and festive events, and traditional craftsmanship.

Since its foundation, FSMCV has received numerous awards and honours from regional, national and international events given its cultural and social impact.

Resilience Strategy of FSMCV

The key factors identified in the Resilience Strategy of this Third Sector cluster are:

1. Civic engagement and community-oriented social innovation

The FSMCV has made efforts to strengthen the excellent social image of musical societies, to overlap this image with the social identity and the native language of the region, and to promote

the social participation and democratisation values of the musical culture. This includes both learned and popular culture. This has enabled much knowledge and wide recognition and esteem of Musical Societies and music, as well as a strong sense of socially belonging to this association fabric.

One major consequence of all of this is the strong social willingness to volun-

tarily participate and a sustained, solvent and growing demand for cultural good and services as shown by the willingness to pay fees, lottery funds and payments for services. This social background has been fundamental for this Cultural Third Sector's independence and economic strength.

2. Defending the legal association status

Unlike other Third Sector experiences, Music Societies have resisted changing their legal status despite increases in legal-tax obstacles. They claim the association status to be the most appropriate to promote participation and democratisation of music. However, they understand that legal-tax obstacles can be avoided by other means, such as the amendment made to the Tax Law for sponsorship, which also includes cultural associations, or regulating the sector with specific laws on music or considering this immaterial social capital to be a status of "good of cultural interest (GCI)" to be protected by Public Administrations. The declaration of a GCI is not only new institutional support, but also major economic advantages, such as direct aid for the conservation and growth of this cultural heritage, access to public credits and funds, as well as tax bonuses. The capacity of the Cultural Third Sector's political incidence, as well as its social backing indicated in the previous paragraph have helped the institutional setting to be transformed, but its legal identity of social associations has been maintained.

3. A federation cluster as organisational model

Although serious tensions such as the development of strategies of growth, big marketing and 'going business', the FSMCV has promoted the maintenance of the association nature and voluntary dimension. It has also promoted the internal socio-economic plurality of the units that make up the cluster by helping to create new Musical Societies, re-

inforcing and consolidating the smallest and weakest by providing them with consultancy, logistics, certification services, etc., and generally favouring the development of larger ones.

The FSMCV has played the role of a central unit of a group by coordination, and not by subordination as with holdings. It has performed the cluster's planning and strategical reflection tasks, has undertaken projects of general interest for the group with non-competitive diversification and professionalisation logics with grass-roots units, has developed organisation innovations, such as establishing rules and meta-rules for the group as a whole (as in Gallego/Chaves 2016), and has institutionalised a system of alliances with other strategic actors in the region; e.g., the University of Valencia (for R&D, studies and specialised training) and with Public Administrations.

The FSMCV increasingly undertakes activities to promote the professionalisation of associated entities by setting up quality management systems and promoting new professional profiles such as cultural managers. It also promotes improvements to artistic training for directors and musicians, the quality of repertoires and concerts by regulating music schools, designing suitable curricular projects, and ensuring teachers' didactic skills and the economic stability of teaching centres.

4. Alliances network

Apart from strong social roots, the institutionalisation of partnerships with key agents in surrounding areas has been a key resilience factor in this case. A special and important partnership exists with the regional government, which is the main figure of the region's cultural policy. The FSMCV actively participates in processes to prepare and apply this cultural policy and has a good political incidence capacity regardless of political changes.

The FSMCV has not focused its strategy on converting its activity into business, but has become a non-profit organisation (a foundation) over its 40-year history which centres its efforts on representing the group of Musical Societies, and by promoting, diffusing and dignifying the love, teaching and practice of music by promoting associationism and providing the civil society with means to develop in.

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“GROWING DIVERSE: HOW TO STAND OUT IN A CROWDED MARKET”

*BEST PRACTICE CASE STUDY OF AN ECONOMIC SUCCESS STORY
EXEMPLIFIED BY A SPORTS CLUB IN HAMBURG BERGEDORF
(TSG BERGEDORF)*

1. TSG BERGEDORF AT A GLANCE

The TSG Bergedorf managed particularly well to deal with barriers arising from the organizational field of sports as a modern sports and service provider. In this light, TSG serves as a textbook example of an economic success story.

The sport club Bergedorf does not only enjoy a dominant position as sports provider in the neighborhood of Bergedorf. It is also one of the biggest sports clubs in Germany with currently 11,000 members enrolled. Founded as a traditional gymnastics club in the tradition of the gymnastics movement (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 23), it can look back on a steady growth in terms of members and revenues, which sum up to 9 million Euros, despite mounting challenges in the field. One third of Hamburg sports clubs (34,2 %) report that they face problems that threaten their survival.

First of all, a cornerstone of its success has been the sensitivity towards new trends and changing interests of exercising citizens. It addresses particularly well the growing service orientation of sports clubs members, the diversification of sports interests and popularity of lifestyle and health related sports. Thus, the sports club TSG Bergedorf manages very well to stay attractive vis-à-vis increased competition with commercial providers. Secondly, TSG Bergedorf established itself as a social service provider and gained reputation for its pedagogic competences in transmitting motoric skills to children and youngsters. Thirdly, a vast number of own high quality sports facilities and an encompassing infrastructure for sporting and community activities can be maintained by installing various business endeavors. In that sense, TSG Bergedorf contrasts to the majority of sports clubs that increasingly have limited access to public sports facilities in poor condition

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and are overburdened with bureaucratic demands. Fourthly, TSG Bergedorf successfully modernized its governance structures to deal with the complexity

springing from its increased business involvement and diversified structures.

2. THE FOUNDATIONS OF TSG BERGEDORF

The TSG Bergedorf is the result of mergers of different sports clubs with basically two distinct athletic traditions.

The Bergedorf male gymnastics association (Bergedorfer Männerturnverein) was founded in 1860. In 1921, it merged with Bergedorf gymnastics association (Bergedorfer Turnerschaft) which was founded in 1880. Both clubs were rooted in the traditional Jahn gymnastics movement. The newly founded club continued in the tradition of traditional gymnastics activities.

In the beginning of the 20th century, the enthusiasm for ball sports grew and new ball sports from overseas, like soccer, attracted athletes. In 1902, the Bergedorf Soccer Club BFC (Bergedorfer Fußballclub) was founded. In 1919, it merged with another ball sports club,

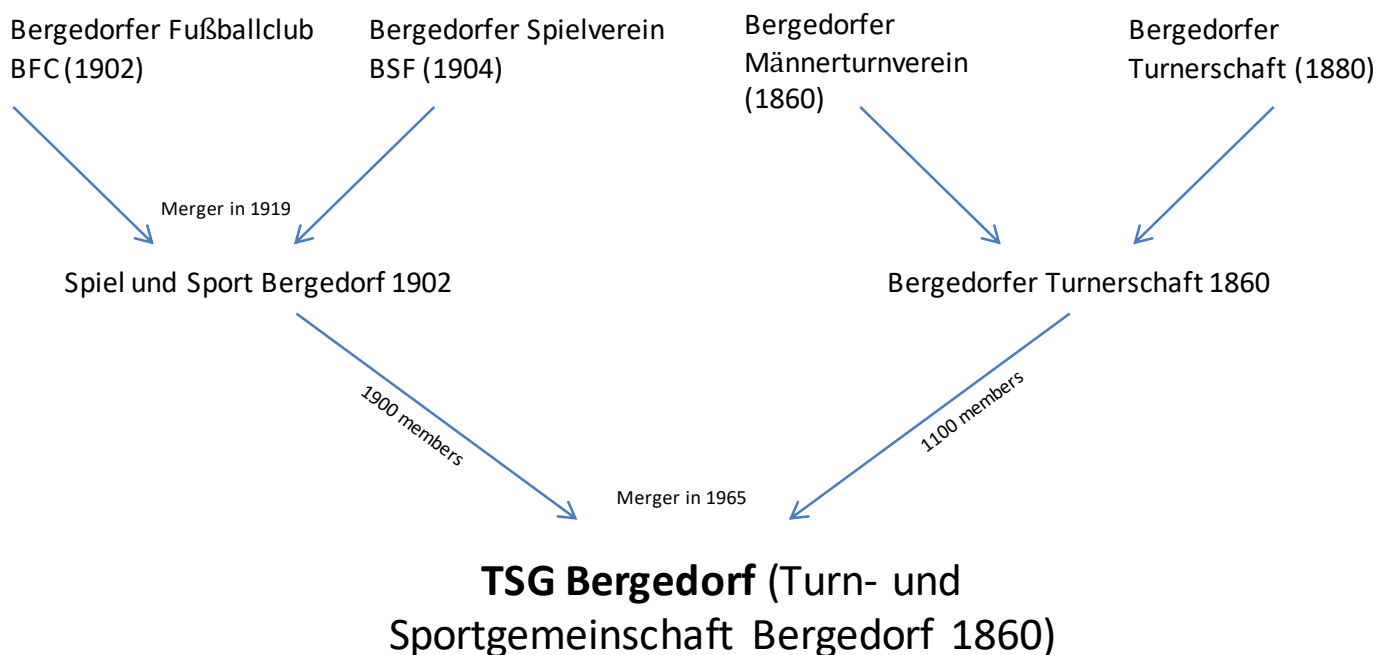
the Bergedorf Games Association BSF (Bergedorfer Spielverein) which was founded in 1904. Together they formed the newly founded Association "Spiel und Sport Bergedorf 1902" (Game and Sport Bergedorf).

In 1965, the Bergedorf gymnastics association merged with Spiel und Sport Bergedorf 1902 to form the Turn- und Sportgemeinschaft Bergedorf 1860 e.V (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 30-42).

The merging created a "critical mass" of ca. 3000 members that allowed the club to invest in its own sports facilities and to provide extended services.

As the administrative tasks became more complex, the sports club appointed a managing director, a novelty for the time. In 1985, an additional position for accounting was created.

Foundations of TSG Bergedorf



3. GROWING DIVERSIFICATION AND SERVICE ORIENTATION

3.1 Diverse program of health and leisure sports

TSG Bergedorf anticipated the changing needs and requests of citizens doing sports. It spotted novel trends and shifted sporting activities away from traditional competitive sports towards more recreational and health sports.

Against the backdrop of diversified sports interests, which change depending on the individual stage of life, TSG Bergedorf has expanded its sports program. Among athletes, the readiness to experiment with new sports is high and the sports interests change frequently. Children and adolescents particularly practice a wide range of different disciplines. The multifaceted sports program of TSG Bergedorf comes as a valuable asset to meet the diversified sports interests of citizens (TSG Bergedorf 2016: 8).

In the sixties, the club established a diversified program ranging from women's soccer, modern dancing like jazz dance, and yoga to the forerunners of modern fitness programs like aerobics. Spinal gymnastics and sports groups for people with obesity or high blood pressure were introduced to meet increased demands in health-related sports. In 1985, the first handicapped sports department was established, which became the biggest of its kind in Hamburg shortly after its foundation.

The strategy of extending the portfolio and integrating novel sports disciplines was extremely successful. In 1978, already 5000 members were counted.

In light of individualized membership patterns and decreasing organizational commitment, the sports club adapted

its supply structure in favor of a flexible course system. In the early eighties, TSG Bergedorf established a wide ranging course program for citizens interested in doing sports that were however reluctant to be bound to an organization by membership and less willing to participate in community activities¹³. The program encompassed courses that were innovative for the time, like yoga, self-defense or autogenic training (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 42-43)¹⁴.

Today, TSG Bergedorf stands out for a diverse program with more than 800 different activities available ranging from traditional gymnastics to indoor climbing and even offering various wellness activities like massages and relaxation courses. The focus of the club towards health-related activities laid the foundation for further membership growth.

"But we have been growing that way, because we have opened ourselves from the traditional competitive sports towards health and leisure sport, so towards offers, where you could say you could also make a little bit of money" (TSG Bergedorf 2015: 4-5).

Presently, one third of the members is organized in the traditional competitive sports branches, while the other two thirds are doing fitness-related leisure sports.

"Two thirds of our members are the ones that are doing leisure sports, that

¹³ Among German sports clubs, the participation in convivial gatherings has sunk by 9, 6 % from 2009 to 2014 (Breuer / Feiler 2015).

¹⁴ The traditional competitive sport was mainly practiced in school gyms while courses took place in the club's own facilities (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 43).

do courses in the fitness studio that want to do something for their health but that do not want to have at all pedagogical responsibilities or league games at the weekend, but that want

to go to the fitness studio twice a week or want to participate in two courses, Yoga, Pilates or whatever” (TSG Bergedorf 2015: 5).

3.2 Professionalized Service Delivery

TSG Bergedorf stands out for the high service commitment to its members. Against this backdrop, members are very sensitive towards the professionalism of the staff. Work performed by volunteers is easily subject to critics by users who might complain about the lack of professionalism and reliability of volunteer workers. Hence, activities of the club were partly professionalized out of the necessity to address the growing service demand but also due to the increased difficulty to recruit volunteers.

“For us as a big club it is difficult (the lack of professionalism and reliability of volunteers, editor’s note), because we rely on and require professionalism also when we deal with volunteer work, because we are not any more the classical club, the way a sports club used to be, but we are perceived by our members more as a service provider. And when a service is carried out you do not have so much understanding as you used to if something does not work right.

If we have volunteers, we need the ones that carry out their activities in a binding and reliable fashion, so when professionalism is behind it (...). If this (professionalism, editor’s note) cannot be guaranteed, then volunteer work makes us more trouble than benefit and then it does not make sense for us. This has also been changing, because you used to have low membership fees in the club, and, alright, it did not work that well” (TSG Bergedorf 2015: 2-3).

Additionally, it has become increasingly difficult to appoint volunteers as a coach or trainer. For 39,7 % of sports clubs in Hamburg, this is perceived as problematic compared to 44,1 % nationwide. Also TSG Bergedorf faced problems to recruit trainers on a fee basis that are available during the afternoon when training is requested and, as a consequence, the club employed full time staff (TSG Bergedorf 2015: 9).

3.3 Investing in high quality services

The sports club developed a unique selling point in addressing the growing demand for health- and lifestyle-oriented fitness activities. It is positioned in the quality segment and stands out for the high investments in the condition of its sport facilities and for the high qualification of its employees. Staff members serve as sports scien-

tists, homeopathic practitioners and certified coaches. The organization employs 21 apprentices, 16 persons doing paid community service and 130 permanent workers (TSG Bergedorf 2015: 9, 12).

Further, the club’s facilities received seals of quality. The fitness center Be

fit received the seal of quality Sport pro Fitness, for instance.

“We are qualitatively better (than the commercial competitors, editor’s note) because we have better qualified personnel since we focus on quality. (...) If you look at the trend we are not a premium provider but not a discounter either, instead we are advertising with health and quality because we have qualified personnel (...). We have to find a niche in the market between the premium provider and discounter, where we say we work with quality - and this is paying off” (TSG Bergedorf 2015: 6).

TSG Bergedorf’s human resource strategy is characterized by the high investments in the qualification of its staff that complements the future-oriented positioning of the club. Firstly, this allows it to offer services at a very high

standard, and secondly to keep the club up to date with sports trends. In line with its high qualification and future-oriented human resource strategy, TSG Bergedorf exhibits a large output in trainees.

TSG Bergedorf benefits from the investment in vocational training because the apprentices display an affinity towards modern technology and are more likely to be exposed to new sports trends. This helps the club integrate new sport disciplines and to master modern communicational tools (TSG Bergedorf 2016: 12).

Furthermore, when replacing personnel, the structure is adapted according to the new demands of the club. With new job profiles, an incremental change of the structure and a partial realignment according to changed environment conditions is attained. These new staff members enrich the club with novel ideas (TSG Bergedorf 2016).

3.4 Space for strategic development

TSG Bergedorf has proved to be ahead of its times being one of the first clubs to exploit the potential of growing fitness and health sports by devoting resources into the strategic development of the club. It creates space for the creative examination of the sports market and strategic positioning of the club.

In this context, it organizes workshops to stimulate creative thinking and generate visions for the future. Novel developments, like e-sports, are scrutinized in terms of their applicability (TSG Bergedorf 2016: 10). Against the background of fierce competition within the fast developing sports market, TSG Bergedorf professionalized its staff, firstly, in order

to accelerate the decision making¹⁵, and secondly, to concentrate on developing innovative approaches:

“Many clubs have no orientation, are swamped with work and have no time to develop innovative approaches (...). As NPO leader being responsible for the development of the organization, you cannot lock yourself and spend the working day exclusively on administrative tasks, but instead I need to make room so that I am able to promote innovative approaches and to question the practices of the organization” (TSG Bergedorf 2016: 6).

¹⁵ “To be successful you have to react fast to trends and societal developments because otherwise you are left behind. (...) There are enough for profit providers (...) that are fast” (TSG Bergedorf 2016: 3).

3.5 Infrastructure for community engagement and inclusion

In certain areas of the club with high performance requirements, TSG Bergedorf professionalized certain activities. In others, it makes use of the volunteer potential (TSG Bergedorf 2015: 3).

TSG Bergedorf provides structures for voluntary involvement and framework conditions that make voluntary involvement attractive. Overall, 500 volunteers are active in the sports club.

First of all, the club provides a multitude of facilities and possible venues for team meetings. The club houses serve as a social contact point and facilitate the exchange among members, which provides an advantage to TSG Bergedorf compared with many other sports clubs that lack such an infrastructure.

In other clubs "they have to go to a pub, don't feel comfortable if they even have to rent a venue. We have it on our own, and you just go there, because it is the meeting point. This house here creates an atmosphere, is a meeting place, where you gather and where you see each other (...)" (TSG Bergedorf 2016: 9).

Additionally, the club enhanced its attractiveness by taking up administrative tasks like cash management and accounting which are taken care of by administrative units of the club. Against the background of mounting bureaucratic requirements for sports clubs, TSG Bergedorf manages to be more attractive for volunteers since they are able to focus on their actual voluntary interests. Besides, additional resources are set free for the voluntary managed

departments that allow for innovative experiments and for the development of new ideas (TSG Bergedorf 2016: 5).

The volunteer-based departments of the club benefit from the extensive infrastructure TSG Bergedorf provides, but also enjoy autonomy in managing their activities.

When problems related to the appointment of governance positions of the individual departments arise, the sports club assists with active help. In this context, the rotation principle and limitation of positions to a clear time frame help to overcome problems related to board vacancies.

In order to address the growing requirements, TSG Bergedorf appointed a volunteer manager on a volunteer basis to coordinate some of the voluntary activities, raise the visibility of volunteer work and give assistance in critical situations. The manager organizes a volunteer day where volunteers are honored for their engagement and long membership.

Volunteer engagement tends to be particularly successful if it is limited to single occasions, if an individual benefit can be obtained or if family ties exist¹⁶. The yearly holiday "Youth Sport Camp" exemplifies a successful volunteering strategy, counting over 70 volunteers. The camp started for the first time in 1952 and is supported exclusively by volunteers. Here, the engagement is limited to the three-week summer camp and every volunteer gets a free stay at the holiday camp for one additional family member.

¹⁶ (Volunteering, editor's note) "once a year for three weeks but they do not volunteer all year round in the club. That is a lot more difficult to recruit someone. But where there is a benefit, it is easier to find someone. You are also more likely to recruit volunteers in the family context. So for instance when the kids practice soccer, the parents decide to volunteer as a supervisor, as a coach, so the supervisor or the coach license is obtained, because the son is playing too and you have time that you get to spend with your child. (...) But this soon stops when the child no longer needs to be supervised" (TSG Bergedorf 2015: 4).

In the traditional competitive sports branches, the classical associational life with a strong voluntary self-organization is perpetuated. That contrasts to the service orientation of the users of the fitness studios participating in gymnastics courses. (TSG Bergedorf 2015: 12-13, 17).

"I think that we have in our sports club clubs within the club, especially among the sports branches we have many that could be an individual club, like the track and field athletics or the judo branch. That could also be an individual sports club" (TSG Bergedorf 2015: 13).

Thus, TSG Bergedorf sticks out for integrating different societal groups into

the club. In this context, the club established the program "sports for refugees" that is financed by the Hamburg senate. The club decided to pre-finance the refugees program half a year and negotiated with the Hamburg Senate (state government) to get the membership partially funded:

"So in the board the discussion came up: So what do we do (in face of the refugee influx; author's note). And out of this we decided: In a much uncomplicated fashion, every refugee can do sports in our club; we do make it an issue who finances it. We do this in retrospect" (TSG Bergedorf 2016: 14)

3.6 Developing the corporate communication: Investments in the image and the organizational culture

As the sports club has grown more diverse, holding the organization together has become more complex. TSG Bergedorf successfully integrated different organizational practices and cultures stemming from its diversified range of activities and diverse stakeholder groups. Investments in the organizational culture and the image of the club nourish members with the "emotional glue" that cause the different departments to cohere to the club. TSG Bergedorf successfully achieved to create a high degree of self-identification and a sense of unity symbolized by its strapline "We move Bergedorf". Additionally, novel communication tools and social media help the club to connect with its members.

The increased service orientation and commercialization of the club provoke internal organizational resistance especially among the older traditional membership of the club.

"We have many (...) of the generation of the traditionalists in the club that do not like it so much, how the club developed, everything so commercial, so big, so anonymous. We don't have the typical associational life of fifty years ago anymore" (TSG Bergedorf 2015: 13).

The needs of the older and more traditional members are met by investments in the organizational culture, like senior citizens events, and investments in the image of the organization¹⁷. Despite

¹⁷ "The traditionalists, that complain about many things, in the end define themselves, how the club appears in the public. In other words what press work do we have, what do we have as facilities, what events do we carry out and so on" (TSG Bergedorf 2015: 13).

the increasingly diverse set of users, TSG Bergedorf succeeded in creating a sense of belonging and identity:

“What holds Bergedorf together is ‘I am Bergedorf’ (TSG Bergedorf 2016: 8).”

According to the advice of a business consultancy in 2008 the corporate identity was developed¹⁸, including a new club logo in the style of the public image of the district Bergedorf to symbolize the links with the district. The family brand principle was also implemented.¹⁹

In the context of the PR management, the club organizes a variety of events with public appeal and collaborates with celebrities to raise its visibility. For example, TSG Bergedorf carries out a yearly New Year reception featuring a prominent moderator and also attracting many VIPs of Hamburg.

“So we had the New Year reception, something the State Athletic Federation of Hamburg regarding the degree of publicity, regarding prominence, never achieves. And then many traditional members say this is a club, which gets things done. ‘Awesome, this is my club!’ Also the traditionalists, the very old, 70, 80, 90 years old members like it, because they say, no other club in the district achieves this, but only the one. ‘Here I am member. And I am proud of that’” (TSG Bergedorf 2015: 13).

The professional marketing activities and public affairs management of TSG Bergedorf served as a backbone for the positive image of the club.

“In each member it provokes a feeling: ‘I will join this. I am part of this

and this is my club. ‘So when in the media something positive is reported (about TSG Bergedorf, author’s note), what the club has done, what contacts it has, and when the mayor of the Free and Hanseatic city of Hamburg shows up, so wow, this achieves my club, that is me and you read this and are part of it. So it works a bit in the way I am proud that I am part of it and this is awesome and other clubs don’t get it done” (TSG Bergedorf 2016: 8).

By implementing a highly professional public relations management and marketing, the club gains public attention. It publishes a magazine three times a year which is also distributed as a supplement of a local district daily and a weekly newspaper with ca. 100,000 copies. The magazine aims at promoting the visibility of the club and its sports program. In 1998, the sports club started its first homepage, one of the first sports clubs in Germany to do so. New communicational tools and the use of modern technology helped the club foster the communication with members. TSG Bergedorf uses social media, and mobile applications to enhance the communication with its members and to connect with tech-savvy members. Furthermore, TSG Bergedorf is part of the social reality and individual biographies of citizens in the neighborhood. Many of the members feel emotionally attached to the club and the character-forming experiences gained in the club:

“Whoever is member says: ‘I am TSG.’ And many are raised in the club, they are here the whole childhood, their parents were here, so a cross generational” (membership, author’s note) (TSG Bergedorf 2016: 8).

¹⁸ The business report of the consultancy criticized the marketing of the sport club lacking a corporate identity. Each discipline used different marketing material and the trademark Bergedorf was not visible.

¹⁹ With pride and self-confidence, the sports club advertises its activities under the motto “We move Bergedorf”.

To fortify the ties with the club, TSG Bergedorf carries out a festivity to honor long-time volunteers, members, and outstanding athletic achievements. In this respect, it nominated a volunteer coordinator to implement a culture of recognition for volunteers.²⁰

Additionally, TSG Bergedorf organizes community events to integrate senior citizens into the club's life and keep them up to date with developments. For instance, an Advent coffee gathering for members over 75 years old is organized (TSG Bergedorf 2015: 14).

3.7 Building up Sports Facilities: Investments into the club's future

Crucial for sports clubs is the availability of adequate sports facilities. The vast majority of sports clubs depends on public gyms.²¹ In recent times, the access to public sports facilities has become restricted and most of them are in poor condition, endangering the survival of many sports clubs.²² Commercial providers are often more attractive as they offer facilities for health-related fitness sports that are often better maintained than public gyms.

Taking into account that volunteers exact even higher demands on doing sports (e.g. the condition of the equipment or the variety of activities offered), investments into more sophisticated sports installations are necessary in order to be able to defy the competition from commercial providers:

“So the step of opening ourselves towards (health and leisure activities, editor's note) goes hand in hand with the necessity that we have to compete with commercial providers. And we only achieve this, if we offer an appropriate ambience, in other words if we have own facilities. As it used to be to have 80 % or 90 % of

the activities in public sports facilities is for this type of sport not possible. We would not get one course booked, not matter if it is Qi Gong or Yoga, if the course takes place in a public gym, where the showers are cold in the winter, where it is wet and dirty, what is often the case in public sports facilities. (...) This is why you can also charge higher prices, but you need to have own sports facilities. This is why we have very early build our own sports facilities which will extremely pay off for the club in the next years (...) because all day schooling has been implemented and we will not get into public gyms before 5 pm” (TSG Bergedorf 2015: 5).

TSG Bergedorf recognized this sign of the times as early as in 1990 and opened its first fitness studio (TSG Fitness and Health Studio am Bult) equipped with modern fitness machines, saunas and solaria, which was a novelty at the time. Even today, only 4,2 % of sports clubs in Hamburg and 3,3 % of sports clubs nationwide offer a fitness studio (Breuer/Feiler 2013: 469). The decision was preceded by a conflicting debate. Some

²⁰ <http://www.tsg-bergedorf.de/magazin/artikel.php?artikel=1098&type=2&menuid=1242&topmenu=1242>, visited online November 04th 2015. ²¹ 56,8 % of Hamburg sports clubs use public sports facilities compared to 61,6 % in Germany (Breuer / Feiler 2013: 488).

²² 4,5 % of sport clubs in Hamburg and 4 % of German sport clubs report that that they are endangered due to limited availability of Sport facilities. Additionally 1,9 % of Hamburg sports clubs compared to 2,6 % nationwide report that they face existential problems due to the poor condition of sports facilities (Breuer / Feiler 2013: 479).

members feared an increasing commercialization and the loss of value-based goals. Others were skeptical because the necessary investment was regarded as impossible to handle and doubted that membership fees could be sufficient for facility maintenance.²³

The supporters of the idea claimed that the competition from commercial providers needed to be addressed (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 44).

Only two months after the opening of the fitness studio, 500 club members registered. Another two years after the inauguration, 1200 members were counted and a two-month waiting list had to be applied (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 45).

Despite the great skepticism in its initial construction phase, the fitness studio is regarded as decisive for the development of the club, laying the groundwork for further expansion (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 45). By now, the fitness studios of the club constitute valuable assets that contribute to its overall attractiveness.²⁴

In the area of leisure sports, the demand grew continuously after the opening of the first fitness studio which provoked thoughts to invest in a modern sports complex.

In 1998, the TSG Sportforum was inaugurated as the biggest indoor sports compound among Northern German sports clubs with various multi-functional sports grounds.

The investments summed up to 15 million German Marks. In order to achieve higher cost effectiveness of the investments demanded by the banks that granted financing, the diversification of activities was further pressed ahead. The sports club took over other activities e.g. achieved to integrate a martial arts sports club, an area where TSG Bergedorf had not been active before. Today, the sports compound includes a fitness studio, tennis, badminton and squash courts, a training room for martial arts, a swimming pool, saunas and a restaurant. The infrastructure can also be used by non-members for a fee (TSG Bergedorf 2015: 17).

In proximity to the fitness studio Am Bult a swimming pool Bille Bad was constructed which was furnished with a fitness studio. Fearing additional competition of another fitness provider, TSG Bergedorf engaged in negotiations with the provider Bäderland GmbH and was granted sponsorship for the fitness studio be.Fit in 2006. TSG Bergedorf concluded cooperation agreements with other sports clubs which allowed their members to work out in the fitness studio without having to join TSG Bergedorf (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 60).

Parallel to the construction of the sports compound, TSG Bergedorf expanded its activities crossing state borders. In post-cold war Germany, various military compounds were closed, and their facilities were sold at fairly moderate prices. In 1997, the sports club took the opportunity to acquire the sports facilities of former army barracks²⁵ that were just

²³ At that time 1,2 million German mark had to be invested (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 44).

²⁴ "Many young athletes say, besides competitive sports I also want to do weight lifting. That is just the way it works for 16, 17 or 18 years old athletes. In other clubs they have to pay an additional fee of a commercial fitness studio. We make a special offer to our competitive athlete. They just have to make a very small additional payment to use the fitness studio. (..) No other club offers that because no other club in that area opened up a fitness studio" (TSG Bergedorf 2016: 9).

recently refurbished. A gym and 4000 square meters of land were purchased for a relatively low price. The former military site was to be converted into a new housing development with 3000 inhabitants, guaranteeing a flow of new members.

It was extended to a compound for trend sports like skateboarding, inline skating, free climbing and beach volleyball. The construction of the sports complex was very unique among sports clubs in Hamburg at the time. The remodeling cost 1,79 million German Marks. The trend sport center (Wentorf) organized among other activities events like skate contests, beach volleyball tournaments and parties for teenagers (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 51-52, 55).

In 1997, TSG Bergedorf reached a collaboration agreement with a commercially operated clinic specialized in the

fields of traumatology, orthopedics and sports medicine.²⁶ It provides rehabilitation-related fitness courses with their own swimming pool and fitness studios.

The business cooperation with the clinic enabled the sports club not only to expand its portfolio without having to invest in new facilities but also to reinforce its unique selling point as provider of high-quality health sports. Additionally, it allowed the club to expand to a neighboring quarter, where part of the membership is located (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 51).

The new sports facilities qualified the sports club to address successfully increased service and quality demands, as well as a general shift of interests towards health and fitness related sports.

4. MAKING SERVICE PAY: ADAPTING THE BUSINESS MODEL TO INCREASED SERVICE ORIENTATION

On the one hand, the raised number of modern sports facilities and the appointment of qualified staff enhanced the attractiveness of TSG Bergedorf. On the other hand, it led to increasing personnel, management, operating and maintenance costs.²⁷

Crowd funding measures enabled TSG Bergedorf to raise the necessary capital for the investments in sports facilities. Furthermore, the sports club raised their membership fees to meet the growing level of expenditures, which is traditionally the main category of reve-

nue for German sports clubs. Moreover, TSG Bergedorf conducted a cost-benefit analysis which led to the restructuring of its portfolio and the implementation of various cost containment strategies. On the long run, TSG Bergedorf partly managed to cover the increased overhead costs by establishing itself as a social service provider in the area of (pre-school) education and youth welfare. On top of that, the club professionalized its governance structure to tackle the increased administrative complexity due to the club's growing business involvement.

²⁵ The Bismarck Caserne in Wentorf was situated just across the state borders in the state of Schleswig-Holstein.

²⁶ The Praxis Klinik Bergedorf is situated in the neighborhood of Lohbrügge.

²⁷ Expenses that particularly loom large among German sport clubs relate to personnel like coaches and instructors, the maintenance of own sports facilities and personnel employed in the administration (Breuer/Feiler 2013: 489).

4.1 Crowd Funding

A critical point in the history of the club was the establishment of own sports facilities which contributed to the attractiveness of TSG Bergedorf for members and volunteers.²⁸

As the availability of sports facilities constitute a condition sine qua non to practice sports, the access to a sports infrastructure is essential for the survival of a sports club. Expenses for sports are considered of voluntary nature in local governments' budgets. Particularly in economically deprived municipalities, austerity measures for voluntary tasks, including sports infrastructure, were implemented (Keller 2014: 389-390). Consequently, public sports facilities, like gyms, swimming pools or playing fields can only be used to a restricted extent which is increasingly viewed as an existential problem (Breuer / Feiler 2013: 478).

On the grounds of restricted usage of public gyms and higher demands from the side of athletes, sports clubs like TSG Bergedorf have invested in own facilities. Municipalities only cover a small share of the necessary investment costs. In light of the lack of access to capital and limited liquid assets due to the nonprofit constraint, it is particularly troublesome for sports clubs to gather the necessary funds, especially in a short time frame.

TSG Bergedorf has developed creative ad hoc investment strategies²⁹ and applied crowd funding measures to react promptly to urgent financial exigencies in financially difficult times.³⁰

In the context of crowd funding strategies, it distributed the financial investments on members or other private creditors. The sports club has given out private loans to its private lenders worth two million Euros. The loans are mostly limited to a short time frame ranging from one to four years. The club scales the interest rate according to the duration of the credit, e.g. three percent for three years and five percent for five years, which is highly attractive compared to the currently low interest rates at banks.

"So the banks are against it. They don't give us anything. So how can we still make it? (to invest, author's note). Then we get our members in. The interest rate policy right now is playing straight into our hands, so we give out private loans to our members. (...)

We needed to build for American Football and soccer an artificial pitch. And the city said they give us 200 000 € but the remaining 250 000 -it costed 450 000 €, we have to cover. We have no money. So we said to our members: 'We need 250 000 Euros'. We gathered the

²⁸ "We have to, if we do something like that, also when we take up loans of members, we always have to invest, that means we have to improve the infrastructure and we have to invest in sports facilities, because when we invest in sport venues, we automatically gain members." (TSG Bergedorf 2016: 18-19).

²⁹ "When it was financially very tight in light of a certain endeavor, (...) we offered 50 lifelong memberships for 1860 Euros. That was also somewhat like a gag but in an instant we had around 100000 € and the memberships were sold within two weeks because the members say, I am member of a fitness studio, When I am member for three years or three and a half years I would have spent 1860 Euros anyway" (TSG Bergedorf 2016: 18).

³⁰ "We said we should not get into a vicious circle: We don't have any money so we can't invest. Then everything becomes old and worse and more members leave the club. Then you enter a vicious circle you can't get out of. This continues to drag you down. Despite the fact we had no money and were not really able to invest we said we still have to invest." (TSG Bergedorf 2016: 14).

money immediately, 250000 loans granted by members. And the departments that use it have raised the membership fee concerning

*debt service and repayment" (...)
(TSG Bergedorf 2016: 15)*

4.2 Raising Membership fees

To deal with growing expenses, TSG Bergedorf raised membership fees which is the method of choice for most sports clubs when dealing with financial constraints.³¹ The introduction of higher membership fees in 2002 restructured the membership. On the one hand, more than 1000 members left the club within one year, intensifying financial constraints, but on the other hand it sharpened the club's profile as high-quality provider. TSG Bergedorf targets the interests of service demanding clients who are less sensitive towards prices, but attach a high importance on the quality of the service, like the condition of sports facilities and the qualification of the staff.

Particularly personnel costs, following the investments and maintenance costs when providing sports facilities, loom large. Thus, TSG Bergedorf adapted the membership fees to cover the increased staff expenses, particularly in highly service-intensive departments:

"There are people that say: 'we don't want that' (to volunteer, author's

*note). They have to pay for it, they take up a service, but this has to be another price segment or just more expensive because it (membership, author's note) is seen as a service"
(TSG Bergedorf 2016: 5).*

Despite the fact that membership fees are above the average ranging from €25 to €89³², TSG Bergedorf is more successful in terms of members compared to the other 80 district sports clubs including two big ones.

"Despite the fact that we are the most expensive, still they come to us. So this has to do with the quality, the liability, the reliability and diversity of activities. One would go to the provider that is cheaper if the service is the same. But we say the service is not the same and this is what we advertise. There are clubs in the countryside where you pay three or four Euros. But we do not want this, and we cannot do this. We cannot finance it, with what we offer" (TSG Bergedorf 2015: 8).

³¹ "The things that many sports organizations carried out on a voluntary base, like indeed case processing, (...), like cash management, to book, all those things, it is difficult to find someone that is willing to take over those tasks in his free time. A generation is dying out here (). And when they are gone, clubs (...) have big problems to find successors. Many, also middle sized clubs, take on paid staff. This causes additional problems, because you have to pay something, in other words raising membership fees, because suddenly a NPO has an expenditure situation, which it did not experience before" (TSG Bergedorf 2015: 1-2).

³² There is a reduced fee of 16, 50€ for children and 10 € for club members on social assistance applied (TSG Beitragssordnung 1.11. 2015 (<http://www.tsg-bergedorf.de/staticsite/staticsite.php?menuid=1904&topmenu=105>). The average membership rate (median) adds up to 6 € for Germany and to 10 € for sport clubs in Hamburg (Breuer / Feiler 2013: 462).

4.3 Expenditure cuts and restructuring the club's portfolio

At first the fee adjustment led to a temporary loss of members inducing additional financial pressures to the sport club, which provoked further cost containment strategies (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 58-63).

In 2006 TSG Bergedorf got into dire financial straits. As a response, the club officials sought the advice of a business consultant. The expert report stated that a future of the sports club would depend on whether comprehensive restructuring plans of the organization are carried out. The club's activities were scrutinized regarding their profitability. The Fitness studio am Bult membership sunk to 300 as the sports devices seemed to become outdated. Attempts to retain members by lowering fees failed as the members seemed to be more sensitive towards quality than towards prices. As a consequence, the

fitness studio am Bult had to be closed down in 2006 and was remodeled to a yoga and pilates studio in 2007 (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 60-62).

The Trend Sports Center Wentorf proved unprofitable and was closed in 2004. By 2005 it was remodeled to a children's sports and motoric center (TSG Kissland) and integrated into the children's sports school and children's soccer school (TSG Bergedorf 2015: 17, Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 59).³³ Additionally, the TSG Kissland can be rented for children's birthday parties. Indoor climbing and gymnastic halls are still available for adult athletes. Complementing the measures described above, the organization laid off staff members (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 59).

4.4 Expanding into new activity fields

The sports club diversified its portfolio and expanded to the organizational field of social services and education. It acquired sponsorship for various (pre-school) education and youth welfare institutions.

These entities focus on the development of motoric abilities as their unique pedagogic feature and stand out for a low-threshold access to the club's sports program and community activities. They are highly recognized for transmitting motoric competences to children and received among the first institutions the

seal of quality „Bewegungskita Plus“.³⁴ By extending its business activities, a vast number of own high quality sports facilities can be maintained. Additionally, the club can cover growing overhead costs in relation to proliferating reporting obligations and differentiated billing systems.

The “cash cow activities” allow the club to provide an infrastructure for community involvement and framework conditions that make civic engagement attractive as increasingly demanding and ungrateful administrative respon-

³³ “In 1992, the children sports school was established with the goal to foster children's interest of practicing sports. Today the sports school is present in almost all clubs and public owned gyms in the neighborhood of Bergedorf.

³⁴ <http://www.tsg-bergedorf.de/staticsite/staticsite.php?menuid=2383&topmenu=54>

sibilities, like accounting or cash management, are processed by the club's central administration. Besides making voluntary involvement attractive, it frees up resources for the creative development of the club's voluntary departments (see chapter 3.5). Under the brand Sportini, the club is a provider of four day care centers. The day care centers are mainly attached to the sports compounds of the club.³⁵ As the club owns various swimming pools, every child learns to swim, which distinguishes the club from pedagogical institutions with a similar focus.

"That is a big advantage (to have a swimming-pool, editor's note) in an (urban) agglomeration, where it is criticized that enough swimming pools are missing also for sports clubs" (TSG Bergedorf 2015: 7).

The expansion of day care for children under three years old as part of a legislative initiative of the federal government, enabled the club to further enlarge its early education institutions extending some day care centers to hundred children (TSG Bergedorf 2015: 7).

Furthermore, the sports club operates a gastronomic business which includes the school catering and rents out the institutional facilities for events. By operating educational and youth welfare institutions, part of the overhead costs can be covered because each institution has to pay a general contribution to the club for the usage of its infrastructure, making the club more efficient and achieving synergy effects.

"Since we already have that (the necessary infrastructure to operate pedagogical institutions, editor's note) starting from the profession, from the hardware, the computer systems, software, personnel, know-how, we only might have to increase a bit our resources. Therefore, we achieve to gain synergy effects, which enable us to lower the costs, the administrative costs, since we get the overhead costs covered by the other activity fields" (TSG Bergedorf 2015: 15).

The diversification of the portfolio and in particular the expansion to the policy field of social services was crucial for the financial success of TSG Bergedorf. In the social services there seem to be more financial resources available than in the field of sports:

"We don't have what we actually need (in the field of sports, author's note). So I am comparing that with the social field, where the state gives funds to kindergarten and other areas and this is in no proportion what the state gives to sports. We have experienced that for the first time when we opened our first kindergarten 18 years ago, how it is funded. If the sport was funded like our kindergartens, then we would live in the land of milk and honey" (TSG Bergedorf 2015: 22).

In light of its diversified funding streams, TSG Bergedorf achieves on average a yearly revenue of nine million Euros, far surpassing the revenue of similarly

³⁵ The club achieved its first sponsorship for a day care center in 1998 which was integrated into the recently constructed sports compound (Sportforum) (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 57). In 2000 and in 2006 TSG Bergedorf managed to acquire preschool day care centers with the focus on sports and motoric abilities next door to the children's sport and motoric center "TSG kissland". In 2005 another sponsorship for a day care center was granted which was located in a school (Schule Mittlerer Landweg).

sized clubs and generating a great share of its revenue with its activities in the social services.³⁶ The revenues gained by its social and educational activities amounted to 40% of the total income.³⁷

“So other mass sports clubs that do the classical sports with 11,000 members do not have half the revenue we have. Their revenue sums up to about four million Euros. Our revenue mounts up to 9 million Euros because we have all these other activities, which we use to cover our overhead. So we draw money from that for the overhead of the club” (TSG Bergedorf 2015: 14-15).

The club’s childcare institutions serve as the second main financial pillar. They also provide the club with a continuous flow of members since the whole family of the child enrolled in TSG Bergedorf’s kindergarten is retained as new customers (TSG Bergedorf 2015: 7).

According to the Hamburg sports survey (Breuer/ Feiler 2013: 474-475), factors

contributing to a successful cooperation with (all-day) schools is the disposability of qualified personnel and the availability of a sports infrastructure. These are unique features of TSG Bergedorf, thus enabling the club to establish a portfolio as a social service provider.

The deep integration of TSG Bergedorf in the policy field might have contributed to its expansion to other organizational fields and to win the contracts to operate childcare institutions against other competitors.³⁸ Besides the composition of the board with local dignitaries, it is member of the Economic Union Bergedorf, a local business organization with 150 members. Additionally, TSG Bergedorf directly addresses decision-makers of the state government and the authorities of the district. In particular, the director of the club performs an important representative function and devotes a lot of energy to establish a network (TSG Bergedorf 2015: 19).

4.5 Professionalization of the governance structure

Due to the growth of the organization and increased business involvement, the administrative requirements became more demanding and complex. TSG Bergedorf professionalized its governance structure and fine-tuned its central administration to both meet the increased management demand and additionally to accelerate decision-making

procedures. As a result, TSG Bergedorf is a highly complex organization comprising nonprofit and for-profit entities.

The lack of voluntary board members threatens in many cases the survival of sports clubs. The recruitment of board members is for 49.6 % of sports clubs in Hamburg problematic, compared

³⁶ Additionally, TSG Bergedorf raises successfully funds among different foundations and other philanthropic bodies, like Hamburgs Donors ‘Parliament. For instance, for a skate boarding ground philanthropic funds of 180 000 were collected and for an artificial turf pitch funds of a couple of hundred thousand Euros were raised (TSG Bergedorf 2015: 23).

³⁷ The financial data presented is roughly deducted from the balance sheet and the financial statement the club provides and the explanation given by the board president.

³⁸ The officials of the club invested heavily in convincing the members of the youth welfare committee to grant the contract to the TSG Bergedorf for the youth club Juzena against the competition of established welfare associations (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 58). Bergedorf proved to be successful in managing the youth club as the numbers of users increased (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010).

to 58.8 % nationwide (Breuer / Feiler 2013: 480). The technical business knowledge required of board members has increased, and the voluntary work has developed into a full-time job with rising bureaucratic requirements. The management of the growing number of sports facilities makes work on the board level even more bureaucratic. The business operation of TSG Bergedorf has become very complex as the organization has acquired numerous highly equipped sports facilities, grown in terms of members and revenues and expanded its activities. As a result of growing organizational complexity, volunteers have become overburdened with demanding board activities requiring technical business knowledge and an excessive amount of time that exceed the capacities of volunteers. Additionally, the lengthy and time-consuming coordination processes with volunteer board members led to efficiency losses, as volunteers were only partially available and were often not fully informed about all ongoing activities and recent developments.

Consequently, in 2009 the by-laws were changed and TSG Bergedorf professionalized its governance structure, including the youth board representing young members³⁹. This enabled the sports club to deal with the increased complexity emerging from increased business involvement and to accelerate decision-making procedures against the backdrop of rapidly changing market conditions where NPOs with slow coordination processes vis-à-vis their fast

commercial competitors are clearly disadvantaged.⁴⁰

Since 2009, the general meeting of members is replaced by an assembly of delegates that are elected in the different departments of the club. The assembly of delegates elects a supervisory board which subsequently elects the managing board. The managing board almost exclusively consists of full time executive staff. In May 2015, the board was further professionalized due to its increased requirements profile. There is one volunteer board member left out of four board members:

“The supervisory board is convinced that the requirements of the board of our growing club are rising, which makes a more professional composition of the board necessary” (TSG Das Magazin September 2015).⁴¹

The long serving managing director was elected in 2009 as president of the executive board.⁴²

The supervisory board meets quarterly and discusses with the managing board strategic questions. The members of the supervisory board are strategically appointed. The board members are providing the club with additional resources and the club benefits from their elevated social status. The board members are experienced and highly skilled, often in financial and judicial terms, have a network like political decision makers which helps the club to get access to key positions:

³⁹ “That was our youth adviser. And because of financial reasons, well we had a youth volunteer board, they always had to meet and discuss. What for? We made him (former youth adviser, editor’s note) board and save the labor resource, they used for constantly exchanging ideas. I used to have the same problem as managing director. My contact person was the treasurer and the board president. That costed me 10 working hours per week to inform them, they were volunteers, to keep them updated. You need a relationship of trust” (TSG Bergedorf 2015: 16).

⁴⁰ “It is often a problem that NPOs are falling behind because they (..)are too slow , because only the things you cannot make money with are left (..). Then you do not have any leeway for innovations” (TSG Bergedorf 2016: 3).

⁴¹ http://www.tsg-bergedorf.de/pics/medien/1_1441708360/TSG_Magazin_Ausgabe_16__September_2015__.pdf

⁴² On average, sports clubs in Hamburg exhibit 8, 7 volunteers on the board level, while this number has been declining by 22, 3 % comparing 2011 with 2009 (Breuer/Feiler 2013: 463).

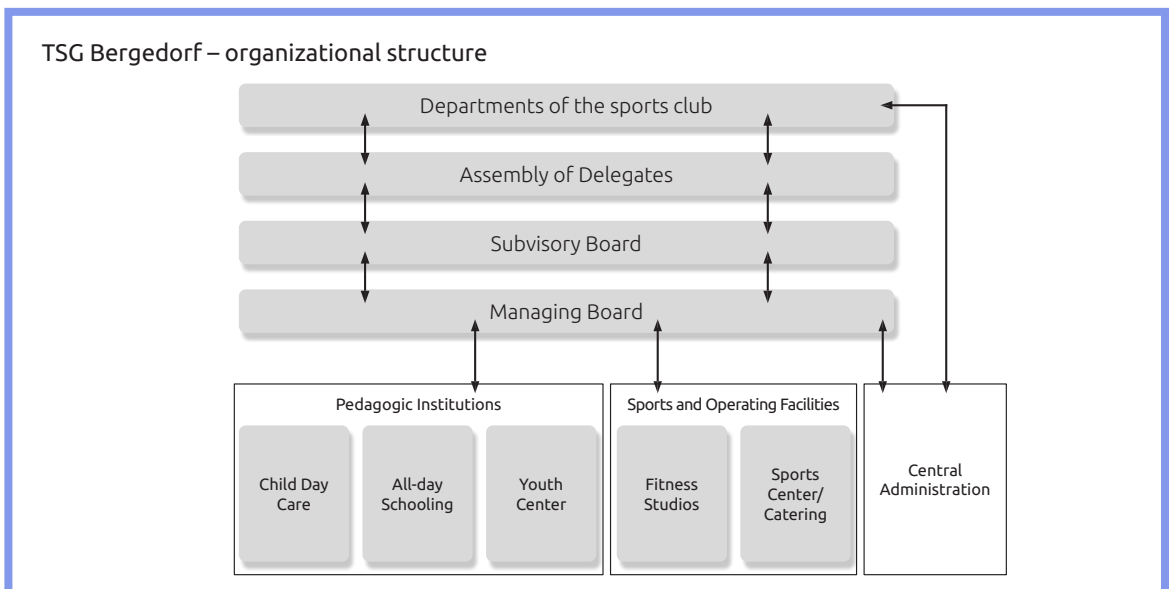
"I need people in the supervisory board that have life experience, professional experience, that do not necessarily come from the sports field. I need maybe a banker, an assurance manager, people that are well connected here (...)" (TSG Bergedorf 2016: 23).

Furthermore, following the advice of a business report of a business consultancy in 2006 mentioned above, the sports club merged its central sports administration, while the departments were financially decentralized and had to be self-sustaining by their revenues (Turn- und Sportgemeinschaft Bergedorf von 1860 e. V. 2010: 61).

The club outsourced its central administration e.g. (financial) accounting, the dunning system and the membership administration to a for-profit limited liability company in 2010. TSG Bergedorf

has a full share of the company. Administrative services are planned to be leased to sports clubs which promises to be a profitable business model. Most sports clubs lack capacities at the board level to meet increased bureaucratic requirements:

"The aim of this limited liability company is, what we have not totally implemented yet, that not only the TSG is purchaser, but also other clubs, where we say, in that area volunteering becomes extinct in a certain way and they (other clubs, editor's note) are interested to outsource their membership administration and accounting. We say it (the limited liability company, editor's note) is specialized in administrative associative practices to take over those tasks" (TSG Bergedorf 2015: 18).



5. CONCLUSION

The most salient problem for German sports clubs is the recruitment of members and volunteers. 13 % of sports club in Hamburg, where the competition of commercial sports providers is strong,

perceive the difficulty in recruiting members as an existential problem compared to 8.2 % of German sports clubs (Breuer/Feiler 2013: 477). In this sense, TSG Bergedorf proves particularly suc-

successful. The membership of the sports club has risen up to 11,000 Members. As the top dog in the district of Bergedorf, it has grown to limits covering its catchment area of 150,000 inhabitants and even expanded to neighboring districts across state frontiers.

This case study aimed to show what measures paved the way for its economic success and how these measures are interrelated and build on one another.

The recipe for its attractiveness toward exercising adults is its pronounced service orientation and highly qualified staff, its diverse sports program with the focus on health and leisure sports and its well-equipped sports facilities. This comes at a price. The investments in the professionalism and its infrastructure entailed further cost pressures. As a response to these rising cost pressures, the club firstly raised its membership fees. Secondly, the club further

amplified its business portfolio and expanded to the more lucrative organizational field of social services, acquiring sponsorship for various (preschool) education and youth welfare institutions with a focus on the development of motoric skills as their unique selling point.

As the business involvement grew more complex, the club professionalized its governance structure and outsourced its central administration to a for-profit company.

The case study of TSG Bergedorf serves as a textbook example to illustrate the underlying mechanisms leading to a hybrid organization comprising different institutional logics. It allows us to learn how a sports organization can deal successfully with barriers originating from the organizational field of sports and achieves to maintain unique civil society qualities in segments of its organization in a harsh organizational environment.

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- TSG Bergedorf (2016): Interview with board member (October 2016)

ROYAL NATIONAL INSTITUTE FOR BLIND PEOPLE (RNIB): CO-OPERATION AND INNOVATIVE ACTION

“THE...CHALLENGE IS TO TRY AND DRIVE OUT OF THE SECTOR THIS COMPETITION THAT EXISTS.” – CHIEF EXECUTIVE OFFICER, RNIB

1. ABSTRACT

Author:
Nadia Brookes

RNIB is a large national charity founded in 1868. The RNIB Group delivers services directly to people affected by sight loss and campaigning, policy and large-scale infrastructure projects. In common with other organizations within the sector it suffered from rising costs, reduction in income and competition with other charities. RNIB addressed this by bringing in leadership with a specific mandate to

change the organization. Its survival and that of other organizations was ensured by adopting innovative practice adapted from the business world, most notably mergers with other charities. It has also actively engaged in collaboration across the sight loss sector and beyond, re-invigorated and invested in traditional fundraising routes and embedded evidencing impact across all services and campaigns.

2. RNIB – MAKING EVERY DAY BETTER FOR PEOPLE AFFECTED BY SIGHT LOSS

2.1 History

The organization was founded in 1868 by Dr Thomas Rhodes Armitage who had to abandon his surgical studies due to

deteriorating eye sight. Dr Armitage was wealthy and had no need to work, and so focused on improving ‘the education

and the condition of his fellow sufferers'. He set up the British and Foreign Society for Improving the Embossed Literature for the Blind. This later became the British and Foreign Blind Association, and in 1875 Her Majesty Queen Victoria became the first patron. In 1914 it became the National Institute for the Blind and in 1948 received a Royal Charter, changing its name to the Royal National Institute for the Blind (RNIB) in 1953. The changes of name reflect the change in work from promoting and providing Braille (the alphabet and numbers designed to be read by fingers rather than eyes), to providing an increasing number of services to support blind and partially sighted people in the UK. In 2002, RNIB membership was introduced and it became the Royal National Institute of the Blind, in 2007 the organization changed its name again to the Royal National Institute for

Blind People. These latter changes were to reflect blind and partially sighted people having a greater role within the organization and its work.

Since its founding, the RNIB has been a key organization involved in the development of Braille. It also set up the first home for blind children, launched a Talking Books service (still one of their flagship services), large print newspaper, website and helpline. Communication remains a key issue for people who lose their sight, and helping people get access to printed material is still a major part of the work today. Over time, however, there has been an acknowledgment that people typically have multiple needs, issues and challenges and RNIB and its partners seek to support people to make the best of the choices and opportunities they have through a whole range of services.

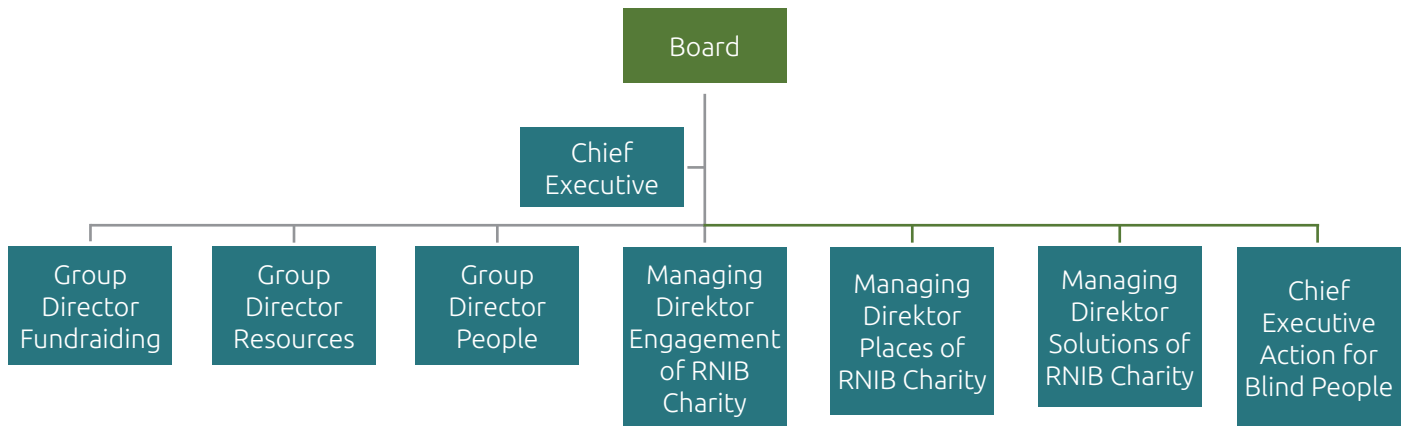
2.2 Legal and organizational form

RNIB is a registered charity working across the United Kingdom.

2.3 Organization and governance

RNIB Group comprises RNIB Charity, Action for Blind People, Cardiff Institute for the Blind and RNIB Specialist Learning Trust. In terms of governance, six trustees are nominated by RNIB Charity and two are nominated by Action for Blind People to serve on the Board. Two independent trustees are appointed by the Board itself. Honorary Officers are elected by the Board and the UK Members Forum. Trustees for an organization of this size have a great deal of responsibility and so there are several key committees that support the Board: RNIB Group Audit; Fundraising; Governance; Investments; Remuneration; and Trustees Review Payments.

Eighty to 90 per cent of RNIB Trustees are either blind or partially sighted and so are perceived as invested in 'getting things right'. It operates as an executive/non-executive board and the aim is that the views of everyone on the board carry equal weight. The board and executive appear to work well together due to this arrangement and have a level of trust which leads to moderation of risk taking and an understanding of where others stand on particular issues. The day to day management of RNIB group is delegated to the Chief Executive and seven Directors (see Diagram 1).

Graph 1

2.4 Services and activities

RNIB has the “ambition” statement “to make every day better for everyone affected by sight loss”. The set of values that describe its organizational ethos and drive are “we are led by blind and partially sighted people, we are collaborative, creative, inclusive and open”. RNIB Charity tends to focus on campaigning and policy and other large-scale infrastructure work. Action for Blind People focuses on direct service delivery such as providing information and advice, supporting people to access benefits and employment, and facilitating an online network. It is the only sight loss organization in the UK that operates at government ministerial level but also directly with individuals directly affected by sight loss. Therefore, it spans a number of ICNPO areas including: group two (for example providing schools, colleges and family services); group three (for example providing sight loss advice

in eye clinics); group four (for example supporting independent living); group six (for example providing employment advice and support); and group seven (for example campaigning for access to social care).

There are four strategic priorities and a number of outcomes that set out the changes RNIB wants to achieve by 2019 (see Table 1). These priorities and outcomes guide decision-making, investment and funding plans, campaigning priorities, partnerships and service delivery and operations. In delivering the strategy, it aims to ensure that as many people affected by sight loss as possible are reached and supported in ways that demonstrably improve their lives. All of the strategic priorities and outcomes encompass people of all ages: children, working age and older people.

Strategic Priority 1	Being there - people losing their sight can rebuild their lives
	Right from the first diagnosis everyone affected by sight loss and their families and friends need advice and practical and emotional support. We will focus on making sure more people are reached early.
Outcome 1	Newly diagnosed people with significant deterioration in their sight have increased emotional well-being, and they, their family and friends have practical support when they need it to rebuild their lives.
Strategic Priority 2	Independence - blind and partially sighted people can make the most of their lives
	Blind and partially sighted people should be able to make informed choices about their lives. There should be access to the support, services, products and technologies that enable a good quality of life, along with opportunities to develop the skills for confident living. We will focus on promoting ongoing independence.
Strategic Priority 3	Inclusion - society includes blind and partially sighted people as equal citizens and consumers
	Barriers to using mainstream goods and services result in isolation and exclusion. We will focus on raising awareness within communities and society to secure changes in behavior that result in improved access for blind and partially sighted people.
Outcome 2	Blind and partially sighted people have the skills, tools, confidence and support they need to enhance their choice, control, enjoyment and independence in daily living and make the most of their sight.
Outcome 3	Blind and partially sighted people, family and carers maximize their income from benefits.
Outcome 4	Blind and partially sighted people are able to get out and about confidently and safely on their own terms.
Outcome 5	Blind and partially sighted people are able to make more use of household, digital, communication and entertainment services, products and technologies.
Outcome 6	Blind and partially sighted learners are able to achieve their potential at school, college and university.
Outcome 7	Blind and partially sighted people are able to develop skills to gain and retain work and to volunteer.
Outcome 8	Information about key services, including health and transactions with key service providers are accessible to blind and partially sighted people.
Strategic Priority 4	Prevention - Fewer people lose their sight
	Raising awareness of sight loss is critical if more people are to take responsibility for eye health. There should also be better eye care services and access to sight saving treatments. We will focus on preventing sight loss amongst at risk groups and influencing at local and national levels to make sure eye health is a public health and research priority across the UK.
Outcome 9	Fewer people experience significant sight loss.

Table 1. RNIB Strategic Priorities 2014-2019

2.5 Finances

The latest Annual Report and Financial Statements for 2014/15 indicated that RNIB had a total income of just under £120 million from donations, legacies and contracts (see Table 2).

	2015 £'000	2014 £'000
Incoming resources from generated funds		
Voluntary income		
Donations and gifts	30,650	30,859
Legacies	33,977	40,797
Total	64,627	71,656
Activities for generating funds		
Merchandising and sponsorship	538	348
Investment income	635	1,056
Total incoming resources from generated funds	65,800	73,050
Incoming resources from charitable activities		
Being there	1,491	2,494
Independence	40,244	39,006
Inclusion	4,410	2,021
Prevention	72	629
Total incoming resources from charitable activities	46,217	44,150
Other incoming resources		
VAT claim	629	
Defined benefit pension scheme	1,806	1,434
Net gain on disposal of fixed assets	13	3
Total incoming resources	114,465	118,647
Table 2. 2014/15 consolidated statement of financial activities		

2.6 Human resources/personnel

RNIB has a large number of paid employees, between 1,500 and 2,000, and so they are clearly fundamental to organizational life. Over time the roles have changed particularly with the digital

revolution and a need to look at communications and marketing differently. People employed in those roles tend to be younger and move on after a shorter period of time. In some departments

though it is important to have a lot of expertise in the sector and so individuals have usually been working in the field for some time. In terms of material reward, RNIB as a large organization does find it easier to recruit people into paid positions generally than smaller charities, as they can offer higher salaries, and other benefits and opportunities. However, the areas where recruitment is most difficult are finance and IT, as the other sectors can still offer much larger salaries.

A proportion of the Trustees are appointed following a process of open competition. Advertisements are placed in appropriate publications and websites. Candidates are invited to apply on the basis of a Trustee job description, person specification and the specific skills identified by the Board. Points are then awarded on the basis of how well the candidate met the criteria. Shortlisted applicants are invited to interview and again are scored against the selection criteria. At the conclusion of the process, successful candidates are recommended to the Board for appointment. Trustees serve a three-year term of office, after which they may retire or seek re-election/re-appointment.

RNIB has a large number of volunteers in a wide variety of roles across the organization and partner organizations. Volunteer co-coordinators operate on a regional basis with a central role based at RNIB headquarters and they active-

ly seek out and support volunteers (as well as support people who approach the organization). Across RNIB Group there are 4,020 volunteers (2013: 3,800) who between them carried out 5,810 individual volunteer roles during 2014 and contributed around 35,750 hours of their time every month. Volunteers are seen as critical to RNIB's ability to deliver a range of activities across all of RNIB Group's work: in the care homes, schools, in small community projects and large services, fundraising and campaigning. Some examples are volunteers delivering iPad taster sessions in Northern Ireland, helping to deliver Living with Sight Loss courses around the UK, and campaigning locally and nationally.

In 2014/15 there was a rapid growth in individual membership numbers from 10,980 to 13,548 in 12 months. RNIB created a new Group Community of blind and partially sighted people which brought together members, campaign supporters and those involved in Action Connect (an online network). RNIB feels that this puts blind and partially sighted people at the centre of the organization, influencing policy by members' experiences and the ethos and culture of the organization. Every member is kept up-to-date with the award-winning magazine 'Vision'. There are a further 3,000 campaigners who sign up to supporting three 'calls to action' a year on priority campaigns but who are not formal members.

3. ENSURING RESILIENCE IN CHANGING TIMES – STRATEGY AND ACTIONS

The challenges faced by RNIB were largely financial caused by rising costs, falling income and competition. The strategy and actions that RNIB put into place to address this have not only ensured its survival but that of other charities.

3.1 Leadership and a mandate for change

By 2003, RNIB was delivering support for many blind and partially sighted people but after the stock market crash ran into financial difficulties. As was the case for other charities, the stock market collapse affected reserves and their pension fund. Around that time there was also a significant drop in legacy income. These factors led to a forecasted gap of £6 million between expenditure and income. Overcoming this challenge was largely steered by the Chief Executive Officer who was recruited in 2004 with a specific mandate to change the organization. She believed that there were too many sight loss charities across the UK working in isolation (over 700) and that this confused people needing

support, diluted the 'message' and created unnecessary competition.

In 2004 staff had indicated that they believed RNIB was involved in too much and spreading itself too thinly, and as a result people were not clear about what the organization actually did. There was recognition that a constant challenge was fostering awareness of what they do and making the organization attractive for people to support and use. A lot of work was done to change the organizational structure to rectify this, including the introduction of the RNIB Group model which led to a focus on campaigning, policy and fund-raising.

3.2 Associate charities or mergers

"Mergers have to come from the heart."

In April 2009 the RNIB Group structure was launched to allow for partnerships and combinations with other charities (use of these words rather than 'merger' or 'acquisition' was deliberate). This group structure meant that any partner organizations could keep their own identity, which was felt to be important given the emotional attachments involved in running charities. National Talking Newspapers and Magazines (NTNM) held discussions with RNIB as a result of NTNM's financial difficulties and were the first to come into the group structure. RNIB recognized that they provided a valuable and complementary service to its own activities and entered into a three-year association arrangement. NTNM maintained their independence and board but at the end of the period would consider a merger. Cardiff Vales and Valleys (CVV, now Cardiff In-

stitute for the Blind) joined the Welsh arm of RNIB, again caused by financial instability. The organizations agreed to three years of funding in order to maintain service provision. By joining the RNIB Group both of these organizations were able to have economies of scale in back office operations and also able to release some of the value in their capital assets to support service delivery.

The most recent merger was with Action for Blind People. It was founded in 1857 and by 2009 had an income of £17 million primarily from voluntary contributions and grants. This made it the third largest sight loss charity in the UK after RNIB and Guide Dogs for the Blind. Despite its size and long history, its income was not covering costs and in 2009 it ran a deficit of £4 million. Action for Blind People began to actively look for support from the wider sector. RNIB had conducted a competitor analysis and identified that Action for Blind Peo-

ple could represent a threat in terms of fundraising but also in terms of competitive contracts.

"We were competitors which is just bizarre in the charity world."

The services provided by Action for Blind People were primarily community-based and in England which RNIB saw as complementary to its own which were mainly nationally or specifically in the other countries of the UK. Combining these services would then cover all of the UK, thus enabling it to gain maximum return from scarce resources. A decision was made to combine operations and required compromise on both sides. Some RNIB offices closed, for example, and staff and business were transferred to Action for Blind People. RNIB took responsibility for fund-raising for both organizations. Due to the group structure, Action for Blind People itself still has its own identity and status as a charity,

"So, although it is part of the group it is still a charity in its own right... so we have a board of trustees who are responsible for the solvency and compliance of the organization... however, it is the Group board that agrees the strategy...we just have to be mature and make it work."

The relationship between RNIB and Action for Blind People has meant less duplication of services, as Action for Blind People are now accountable for delivering all front-line services across the UK and RNIB can focus on other aspects of the work. However, there is a shared strategy across the Group and the resources fund the priorities rather than structures so there is a clear route for investment.

"In our group structure we kind of have a shared vision and shared values."

There would be implications for the grant Action for Blind People receives if strategic priorities changed. Currently the focus is on supporting people at the point of diagnosis which Action for Blind People is well-positioned to deliver. However, the feeling is that the arrangement has been a positive one and enabled resources to be directed more effectively.

"What it has done is free up resource(sic) and enabled us as an organization to direct it more effectively."

The fact that the inclusion of Action for Blind People in the RNIB Group had been prompted by financial concerns did create an initially challenging integration phase. The relatively swift speed of introduction of the partnership arrangement, along with its size and complexity were also factors in this. This was also innovative action in the sector and so there was no learning from others to help with the transition. Managing the transfer of staff was seen as a testing time, not without its teething problems, but there is now a view that Action for Blind People are a settled part of RNIB. The situation is described as having improved over time with trust and co-operation now embedded and all have an understanding of each other's roles and the different parts they play.

As the Chief Executive of Action for Blind People stated,

"Our association has gone from strength to strength... they do what they're good at and we do what we're good at...it's not been without its difficulties, various bumps in the road, but we're in a good place."

3.3 Co-operation and collaboration Co-operation and collaboration

Equally important to the diverse range of support offered through RNIB Group is the work across the disability sectors so that there can be more collaboration for example on major campaigns. RNIB believes this allows greater impact and influence on government. RNIB maintains close links and supports the aims of other organizations such as local, national and international charities working with or for people with sight loss. These associations are viewed as enabling the sharing of skills and expertise to reach more people affected by sight loss. There are still be some areas where there is competition for resources but there is a clear understanding that the best way of being able to keep to the main aims of the organization is by working in collaboration.

"In terms of the sight loss sector we're the lead organization for the UK vision strategy which is the umbrella strategy for delivering ambitious goals for blind and partially

sighted people and lots of national and local agencies are part of that. We're also members of Vision 2020 which is an international body in terms of supporting and preventing sight loss."

RNIB has also fostered relationships with the business sector. Google, Microsoft and other large companies work with RNIB to produce products for blind and partially sighted people. This adds to the influence and credibility of the organization and provides allies within non-state fields. These relationships with well-known brands help foster awareness with the general public through high profile work such as the introduction of talking cash machines (ATMs) with most of the major banks. RNIB also won the 'people's choice' category in the Google Impact Challenge 2014 for its work with Smart Glasses which help to maximize the remaining sight of people with very limited vision.

3.4 Re-invigorating and investing in fundraising

The main source of funding for RNIB Group is the general public through legacies and donations. Legacies have continued to be a strong source of funding over the past few years and there has been a greater reliance on this particular source as traditional donations from the public have produced less money. RNIB is very active in identifying new sources of funding and has a team of professional fundraisers who identify these new sources and contract opportunities. Diversification of funding sources is very much on the agenda; one area of development is the identification of major donors.

In 2013/14, 62 per cent of RNIB's overall income came from fundraising activity (including 34 per cent, or £40.8million, from legacies; in 2013 this was 35 per cent or £40.7million), 37 per cent from service related income and 1 per cent from other sources. Donations and gifts rose by £2.1million due to increased receipts from individual giving, community fundraising and major donors as well as gifts on association. This was achieved against the background of the current economic difficulties as RNIB were able to respond to the issues this posed. RNIB invested in their supporter relationship management program which they viewed as essential to secure

long-term income. It was seen as important to be more efficient in communicating essential messages and collecting donations. Investment in fundraising was viewed as vital to sustaining RNIB income and the ability to plan and fund direct services, whilst at the same time RNIB has focused on driving efficiencies and reducing costs in a similar way to other large state and non-state organizations.

About a third of RNIB funding is money paid for services delivered through contracts. This link to state contracts has been a major issue for the organization with reductions in local authority funding, reductions in central government funding and a move towards larger contracts in terms of scale and payment by results. All of these factors have proved challenging for the RNIB, but not being solely reliant on this source of funding has helped mitigate risk. It was felt that this range of funding sources alongside the scale of the organization meant they could bear risk and had the capacity to manage in a way that smaller organizations could not. RNIB was not solely dependent on service contracts and so

able to choose not to pursue certain contracts which would not deliver what they wanted or cover costs. However, the organization did have higher overheads than some competitors because of the back-office functions required to support the work.

"I think it's easier to bear more of the risk than smaller organizations and to have the capacity to manage that in a way that smaller organizations can't."

Like many other voluntary organizations, RNIB has felt the impact of government cuts on service income. It has responded to this shifting situation and the issues created by this through a targeted focus on generating income (service income has risen by £0.5million or 1 per cent compared to 2013 when there was a reduction of £1.2million or 3 per cent). RNIB has invested in business development staff who go into the field and make links with commissioners of services.

3.5 Evidencing the impact across the organization

RNIB also recognized that there was a need to capture the impact of what they do which in turn helps with raising awareness across a wide range of audiences (policy, providers, potential/existing supporters and beneficiaries of services), and with establishing reputation and trust. RNIB have introduced a theory of change model and linked to their 2014-2019 strategy are nine outcomes with indicators which were drawn up in consultation with stakeholders. Information on progress towards the out-

comes is gathered from a number of sources such as: numbers supported by services; self-reported change from service users; and research. The aim is that RNIB has a clear way of measuring impact with these embedded across all services and campaigns.

"Following a theory of change... what do we need to achieve as milestones, how do we know we're getting there and what are we going to use as indicators."

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SOCIETY FOR PSYCHOLOGICAL ASSISTANCE

*SOCIAL SERVICES PROVIDER WITH A STRONG ADVOCACY AND
TRAINING COMPONENT*

HISTORY AND DEVELOPMENT OF THE ORGANIZATION

The Society for Psychosocial Support (DPP) from Zagreb is an association established during the war in 1993 with five fields of activity:

- projects and programs of direct assistance and psychosocial support through various forms of psychosocial interventions such as counseling, psychotherapy, psychological crisis intervention, family mediation, psychosocial treatment of perpetrators of violence;
- projects of experts training in supporters' professions;
- research and evaluation projects;
- publication of professional books and manuals;
- the organisation of domestic and international professional events.

Over the past 20 years DPP has engaged in different developmental issues, from helping victims of the war to production of social services and certain social innovations. It is one of the first and unique indigenous civil organisations with professional capacity, being respected by state officials and professionals in public

social services. In that time policy regulation for psychological support was not in favor for civil society organizations (Despot-Lučanin/Coury 1995). The majority of members of DPP come from academic institutions and, in that way, they are in a position to mobilise professionals from young generations and to mobilise students to serve as volunteers. With strong leadership and well-networked leader using informal contacts, in fact made foundations of such civic organizations (Despot-Lučanin/Coury 1995). In that way, they produced real alternative services in the landscape of state monophony in service providing (Coury Despot Lučanin/Bežovan 1998). Following the developments in western countries, they made and developed standards in the psychosocial support in the county and in the region of South-East Europe.

Psychological crisis interventions have been developed as an innovation in the partnership with the educational system and have been accepted as a local social infrastructure responding to the urgent need in crisis situation.

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In developed countries, the psychological crisis interventions are an integral part of the crisis of services that are activated after disasters and catastrophes and play an important role in the recovery of a community and reduce the cost of this recovery. The idea to launch psychological crisis interventions in Croatia was created within the educational project of DPP, which later formed the DPP's project "The development team for psychological crisis intervention in the local community (KRIN)" that has been successfully implemented since 1995. The educational project was implemented in partnership with the US humanitarian organization Catholic Relief Services (CRS) and with financial support from the USAID. During the project implementation, around 30 professionals from Croatia gained knowledge, inter alia, in psychological crisis interventions. Among the participants, there were around 15 members of DPP, who later had the idea of introducing the crisis interventions in Croatia.

The basic idea of the project is to build a network of specially trained professionals working in various institutions and organizations all over Croatia. They are ready in case of need and immediately involved in the delivery of psychological crisis intervention services.

In the beginning the acceptance of psychological crisis intervention went slowly and gradually, because of misunderstanding, suspicion and resistance in organizations and public benefit corporations. It was a new and unknown process in our country, and the biggest obstacle to its acceptance was the at-

titude of many people that there is no need for such intervention.

Based on the experience gained by implementing crisis intervention in the first few years, the DPP has already started the construction of a network of teams for psychological crisis intervention in 1997 by educating a large number of experts from the education and social care sector. After several years of intensive efforts and advocacy to respective ministries the infrastructure for the implementation of crisis intervention has been improved. Also, DPP issued manuals and developed protocols and guidelines for crisis intervention. From 1997 to 2008, in total, 347 professionals were trained in this program.

Gradually, with great effort DPP's team for crisis intervention there has been a change of the awareness of the importance of and need for psychological crisis interventions, thanks to the positive response of many users and media appearances of the team members. The greatest progress has been made in the education system, which is largely a consequence of the changed system of values and changed beliefs about what people need after a traumatic crisis event. These changes ensure the sustainability of this practice. Teams of experts in the education system are covering almost the entire Croatian territory and represent an important resource for action in local communities.

This innovation has been developed and implemented mostly thanks to voluntary work and civic engagement of professionals in DPP.

SERVICES AND ACTIVITIES OF THE ORGANIZATION

Today, the organization's main activities include psychosocial support and treatment covering the whole country

through counselling for children, youth and families, psychosocial treatment in cases of domestic violence, family me-

diation, group support etc. The second field of the organization's activity is education, i.e. different educational programmes in psychosocial support for helping professions as well as other programmes of education in supervision, psychological crisis interventions, prevention of anti-social behaviour among children and youth.

Other fields of activities today include evaluation, consulting, producing publication and library services. One of the organization's most prominent roles is providing psychosocial crisis interventions. DPP made impact in legislation policy related to the domestic violence.

The organization's mission is to respond to psycho-social problems and needs of individuals and families in Croatia and in the region, in a proactive and professional manner. In its work, DPP specifically aims at improving the quality of life of individuals, groups and communities, by strengthening their resources and capabilities; fostering holistic psychosocial development of children, youth and families; improving interpersonal and inter-group relations; enabling their members to exchange and realize professional ideas, strengthen their competences and apply their professional knowledge.

MODUS- Centre for children, youth and family as a part of the organisation's activity provides counselling, psychotherapy and psychosocial support to vulnerable social groups. They have a concept such as a family centre and be-

ing more dedicated to clients. They are recognized as more efficient and effective than public organizations. Also, they have the capacity to produce social change and to make visible impact. They developed a partnership with public institutions in the field firstly with the Centre for Social Care, with the city administration and with respective ministries. It is an example of good practice of a social enterprise which meets the rising needs of a vulnerable population faced with new social risks.

MODUS provides different programmes for children and youth, such as play therapy, group support to children of divorced parents, support in learning, counselling, training of communication skills, as well as psychosocial treatment of young offenders. They also provide counselling for the adults, different programs of support to parents, as well as family mediation.

Recently, in the context of the migrant crisis, migrants coming from Arab countries, they have started with services in counselling and psychotherapy for refugees living in Croatia in cooperation with the CSO Centre for peace studies and Ministry of the Interior. This projects receives financial support from the Ministry of Social Policy and Youth.

Thought innovative activities DPP play the role of "policy entrepreneurs" (Young 2000), whose principle function is visible advocacy for social change.

GOVERNANCE STRUCTURE AND HUMAN RESOURCES

The organization's governance structure, according to its statutes, is composed of the assembly, the board and the executive director. Management structure further includes project coor-

dinators and project leaders and a book-keeper / accountant. Furthermore, MODUS – Centre for children, youth and family, is comprised of the manager, who is responsible for the DPP's man-

agement, and for the professional staff (employed psychologists and external associates).

The assembly, as a supreme governing body, is comprised of all the organization's regular members, and it has regular annual assembly meetings. The governing board is responsible for management of the organization and supervision of the work, execution of the strategic decision and the organization's policy. The board consists of 5 members. The executive director is responsible for day-to-day management and functioning of the organization and is responsible to the board.

The organization's members are notable professionals from the fields of psychology, social work, psychiatry, education and rehabilitation sciences. Currently, the organization has 36 regular members.

The volunteers' contribution is significant for the organization, and it results in increased accessibility and affordability of the organization's services of counselling and psychotherapy to citizens who otherwise would not be able to afford those services.

At the moment, there are 7 full-time employed professionals, and in 2015 there additionally were 76 associates, most of whom were engaged in services for refugees. There are also 21 volunteers providing services of psychotherapy, supervision, counselling and interpretation (in the work with refugees).

DPP has no problem with the recruitment of skilled staff. However, it is always the problem of how to ensure a regular salary for employees. The biggest challenges for the head of the organisation are to ensure continued funding of the programme, to maintain contacts with donors and other stakeholders, to monitor tenders and to submit project proposals. Funds are relatively scarce and such a situation reduces the space for innovation and creativity.

As a part of human resource development dozens young academics build – up part of their academic careers in DPP making research, developing training for emerging topics and now, at different department in social sciences, they teach courses related to the field of DPP activities.

FINANCES

Since its founding, the organization has received funding and has developed a partnership with various foreign and domestic funders and organizations, including universities and research institutes, the EU, international organizations, as well as the domestic public and corporate sector, local government, and civil society organizations.

At present, major funders are domestic organizations, most notably, the national foundation for civil society development, the ministry of social policy and

youth, the local government of the city of Zagreb and UNICEF Croatia.

Individual, partner, and family psychotherapy as well as other services are provided "on the market", i.e. service users pay a service fee. Depending on the received public funding, those services are free of charge for service users when they are provided within a project for which the funding is granted.

Domestic multi-annual funding programmes, namely the so-called institutional support from the National Foun-

dation for Civil Society Development and three-year funding programmes of the Ministry of Social Policy and Youth, were important for the sustainability of the organization's human resources⁴³. The programme of institutional support contributed 17 percent of the total income.

In 2015, the organization's income and expenses were higher than planned by 22 percent and 23 percent respectively. In comparison to the earlier year, the income increased by 34 percent, whereas costs increased by 36 percent.

Concerning the structure of funding, 30 percent of the total income came from foreign donations, 24 percent was granted from the state budget (Ministry of Social Policy and Youth, Ministry of Science, Education and Sport), 9 percent was granted from local government (city of Zagreb), whereas 18 percent was income generated on the market from selling services and goods (publications).

In comparison to the earlier year, income from foreign donations decreased. On the other hand, there was a relative

increase in the income from the state budget and from selling services.

Social entrepreneurship and financing the provision of services are big challenges because the activities of MODUS's are taxed like a services of commercial organizations. If client pays a real modest fee for service, like counseling, of HRK 100.00 net (13 Euros) for one hour of work, that's gross 255.00 Kuna, (33 euros) and part of that is VAT. Thus, nothing remains for operational costs of the organisation. It is one of the key, policy issues of sustainability of socio-entrepreneurial activities. On the other hand, having in mind affordability issue, there is no room to increase the prices of these services.

Ideally, funding would be a long-term contract in order to receive 50% of eligible costs for providing the services, while the remaining 50% would be money from competitions for donations.

DPP does not have a reach experience with gaining EU funds, and it might be a space for new challenges.

BARRIERS TO DEVELOPING TSOS IN THE SOCIAL SERVICE PROVISION

In general, the image of non-profit organizations is associated with distrust and this is increasingly widespread in the public. The media and other stakeholders view them with suspicion and it is difficult to present them as an agent of positive change.

The unfavourable socio-cultural and tax framework for TSOs in Croatia can be illustrated by an example described

as follows: when DPP, as an entrepreneur in organizing conferences, it is important part of their activities related to learning, knowledge and skills dissemination, charged the fee that covered some other services, like food, conference trip and similar, and therefore the organisation paid the fine. The explanation is that they are not registered for the tourism activities and with such activities, they are in position

⁴³ This programme was recognised as one key governmental contribution to sustainable development of civil society organisations providing service (Bežovan & Matančević 2017).

of unfair competition. . Tax framework narrows very much the area of social entrepreneurship and limit scope of their activities.

Organisations in the non-profit sector should increase co-operation and networking with relevant stakeholders and make a greater impact on the social policy sector. Better co-operation of stakeholders coming from below could be helpful in mobilizing more resources in local communities and contribute in strengthening social cohesion.

Cooperation with the state was volatily and positive progress has been made during the last ten years⁴⁴. The state and cities see that MODUS does a useful and good job. They would like to make “takes over of DPP” and to provide funding for them as for public benefit organisation being in their ownership. However, they are not happy to finance its programme as an independent and civic organization⁴⁵.

Additionally, MODUS is recognized as an example of good practice, separately in circles of professional, where they provide services needed in local communities.. Many cities would like to have such a programme, but they prefer to have own organization, where they decide on employment, wages and governnace structe. In this context, mistrust to civil society enterprise is of key importance as barrier for development of innovative practices largely support by EU funds.

DPP is a notable example of a ‘civic driven change’ in Croatia, namely inservice provision. The organization has developed from a civic (professional) initia-

tive and has made an impact and viable social change. It is also an example of development and production of social service, within the civil society. With their professional experience, the organization serves as a positive example in the region and beyond, and its professionals are engaged in knowledge transfer in crisis interventions to other countries which have experienced conflicts in recent times⁴⁶.

The organization has furthermore promoted and developed the concept of ‘family and youth centre’ in Zagreb as a kind of policy invention.

This is a positive example with capacity to make ‘spiral change’ in the social service system, and to achieve positive social change from the bottom-up. As demonstrated, DPP started from a civic professional initiative, and today they have gained a status as an important stakeholder in the social care system.

However, its institutional position is jeopardized by an unfavourable financial framework, i.e. project-based financing from the public and foreign sources. This poses challenges to the organization in terms of financial viability, but as well as to the affordability of their services to serve users. Such a socio-economic environment is not favourable to strengthening a sustainable system of social services and a more prominent role of third sector organizations. This challenge is also related to the tax system in Croatia which is still not favourable for development of private initiatives and for the third sector in service provision. A lack of tax incentives puts DPP and other third sector organisations in an unfavourable position in relation to the public

⁴⁴ Extensive volatility in welfare policy in transitional countries is very much connected to government instability. (Kemperling/Makszin 2018).

⁴⁵ There was the real plan for take over of one CSO providing services for the homeless people in other city. In literature such relationship of government and third sector organisation is known as co-optation where government create GONGOs (Najam 2000).

⁴⁶ They are invited to provide services for victims of war in Ukraine

service providers. This issue has not yet been adequately addressed in the professional public, nor has been put on the policy agenda.

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SHARED LIVES PLUS

THE GROWTH PROJECT

“The plans to expand are to grow demand for Shared Lives through awareness-raising and to grow the supply of Shared Lives through building learning, resources and peer support and through a program of social investment in local schemes. We will be protecting and strengthening the values and ethos of Shared Lives throughout this period, including through helping Shared Lives carers and people who use Shared Lives and their families to have their voices heard by local planners. And we will be building an outcome measuring approach and exploring a Quality Mark.” – Chief Executive Officer, Shared Lives Plus

ABSTRACT

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Shared Lives Plus is a charity and the UK network for family-based and small-scale ways of supporting adults. Members are Shared Lives carers and workers, and Homeshare programs. Shared Lives is an alternative to home care and care homes for disabled adults and older people. The organization has needed

to grow to be able to fulfill its ambitions to double the size of the Shared Lives sector. Shared Lives Plus has been able to expand in scale and scope in challenging times due to strong leadership, a focus on evidence of outcomes and costs, and combining innovative and more traditional routes for investment.

SHARED LIVES PLUS (SLP) – DEVELOPING AND MAINTAINING SHARED LIVING APPROACHES TO CARE, SUPPORT AND INCLUSION

History

In the late 1970s and early 1980s adult placement (most comparable to family care in Europe) in the UK had a period of growth and scheme organizers in the Midlands and the North West regions of England began meeting to share information and offer mutual support. It was then recognized that a national organization including adult placement carers and service users as well as scheme organizers was required. The National Association of Adult Placement Schemes (NAAPS) was launched on 30 June 1992 as the umbrella body

for adult placement. Over time adult placement became increasingly tightly defined and services that did not fit the adult placement definition moved across to become associate members of NAAPS. From 2003 onwards there was a steady decline in membership as the barriers created by regulation and bureaucracy led to many small community services closing down. NAAPS appointed its first Chief Executive Officer in 2004. In 2007 adult placement members agreed to extend full membership rights to the whole range of very small

community based services that shared the adult placement values and ethos. In 2008 after consultation the membership decided that the words 'adult placement' should be replaced with the

term 'Shared Lives', which was felt to more accurately reflect the mutuality of arrangements. Membership was also extended to Homeshare support. In 2011 NAAPS was re-named Shared Lives Plus.

Legal and organizational form

SLP is a charity, a not for profit company limited by guarantee and is governed by its memorandum and articles of association.

Organization and governance

SLP has a Board comprising eleven Trustees. The majority of Trustees are elected by members directly by ballot or through the regional and national committee structure. There are co-opted Trustees for treasurer, equalities champion and two outside experts including the chair. The Board has a governance role and is attended by the CEO and the two senior managers/directors. The Chief Executive is responsible for the day-to-day management of the charity in accordance with the operational plan.

The Board requires the CEO to carry out a risk analysis each year which identifies

and evaluates the severity of risks facing SLP. The risk analysis is informed by the views of Trustees, staff, membership and of key external stakeholders. The Board in consultation with the CEO, staff and members agree the actions necessary to mitigate those risks and these form part of the strategic and operational plan for the following year. Engagement with members is through regional (for England) and national committees (for the UK), each elects a nominee to the board. Online fora, email groups and a quarterly magazine are also mechanisms for engagement.

Services and activities

The mission of Shared Lives Plus is to develop and maintain shared living approaches to care, support and inclusion right across the UK. It also has a vision to achieve "better support, thriving enterprises and ultimately, better lives for older and disabled people".

SLP members are Shared Lives carers and workers and Homeshare programs. In Shared Lives an adult who needs support and/or accommodation moves

in with or regularly visits an approved Shared Lives carer after they have been matched for compatibility. Together, they share family and community life. In many cases the individual becomes a settled part of a supportive family, although Shared Lives is also used as day support, as breaks for unpaid family carers, as home from hospital care and as a stepping stone for someone to move towards independence. Shared Lives is used by people with learning

disabilities, people with mental health problems, older people, care leavers, disabled children becoming young adults, parents with learning disabilities and their children, people who misuse substances and ex-offenders. In the UK Shared Lives is one per cent of social care provision.

Homeshare is where an older person or someone else who needs some help or companionship to continue to live independently in their own home, is matched with someone – often a young adult – who has a housing need and can provide a little support or companionship in return for accommodation.

Members of SLP include 4,500 Shared Lives carers (self-employed), 152 local Shared Lives schemes (80 per cent run by local authorities, 20 per cent independent), 140 micro-enterprises and 10 Homeshare organizations across the UK. SLP works with its members to: provide resources, training, insurance and one-to-one support; enable members to talk to, support and learn from each other; ensure that members can act as a network to influence national and local decision makers and the development of a more personalized social care system; raise awareness of the value of members' work; commission research and strengthen the evidence base for

their work. With its members situated in ICNPO group four, SLP can be seen as primarily functioning in this field, although it has features of a professional association by virtue of its co-ordinating roles. SLP also works with a sister organization, a social enterprise Community Catalysts, on strategic development of the Shared Lives sector.

SLP has four strategic aims which inform how they attempt to achieve impacts which benefit the public: Quality and development. To provide effective resources, training, products and support to help members maintain the quality and safety of their work and develop sound approaches to reaching new groups and communities.

- Awareness. To raise awareness of our member's work with people who use services and their families, professionals, decision makers and the public.
- Influence. To enable our members and the people they work with to support each other and to have their voices heard locally and nationally.
- Sustainability. To improve constantly the value of the support we offer to our members and ensure SLP is a great place to work or volunteer.

Finances

According to the latest Report and Financial Statement during 2014/15 SLP had a total income of £1.9 million. The majority of this was through grants with membership fees accounting for just over £300,000. SLP does not current-

ly fundraise to support any activities. It also owns 100 per cent of the share capital of Community Catalysts which is managed by a Board of Directors consisting of SLP Trustees and an independent chair.

Table 1. 2014/15 incoming resources

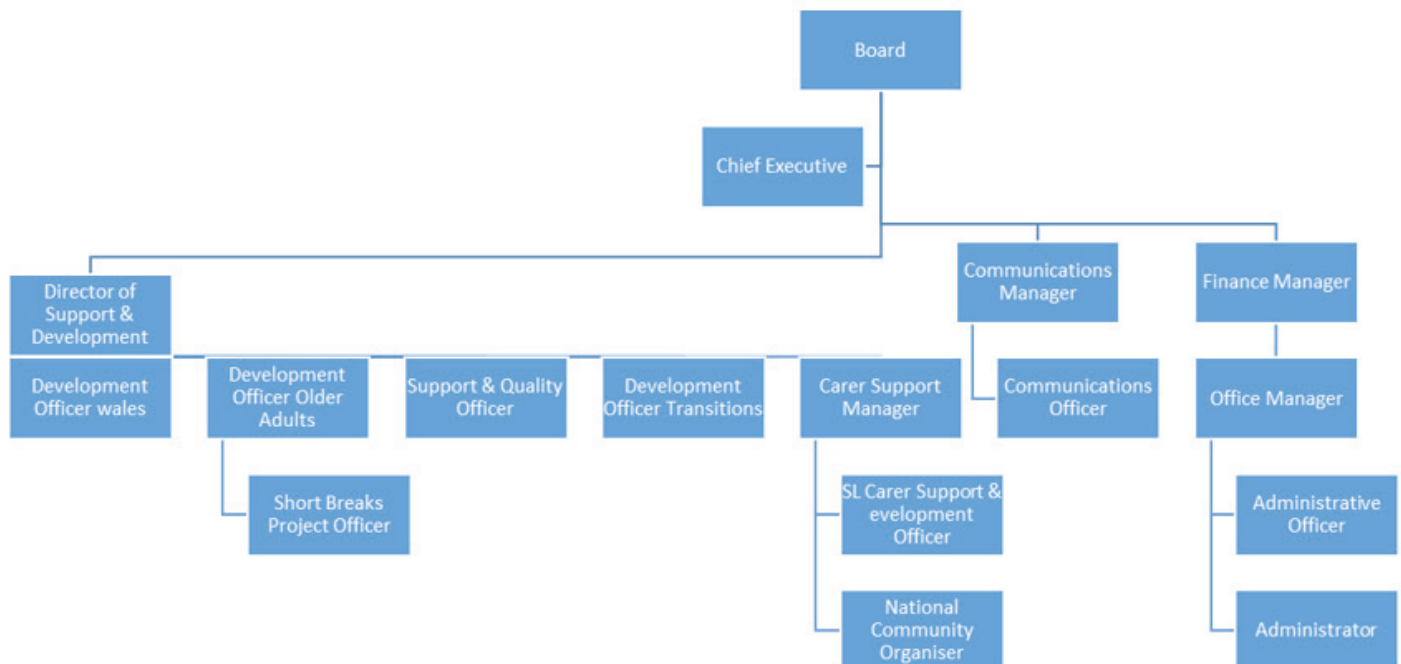
Incoming resources	2015	2014
Voluntary income	301,740	278,933
Investment income	4,576	4,592
Incoming resources from charitable activities	1,285,442	1,666,318
Other incoming resources	6,611	-
Total	1,598,369	1,949,843

Human resources and personnel

The number of employees in 2015 was twentyseven, two Chief Executives, two Department Heads, two Finance Managers, sixteen Project Workers, three administration staff and two communications staff (see Diagram 1). A number of posts have been created mainly de-

velopment roles linked to grant funding. Recruitment has been possible in recent years due to an increase in grant income from £600,000 in 2012/13 to £1.9 million in 2014/15. There are no volunteers at present.

Graph 1: Staff structure of SLP (January 2015)



ENSURING RESILIENCE IN CHANGING TIMES – STRATEGY AND ACTIONS

The main challenges that SLP faces are achieving growth for the Shared Lives sector, and the need for the organiza-

tion itself to grow to fulfill its mission and ambitions.

Leadership and growth

Given that Shared Lives forms such a small element of social care provision it has a high profile at national level. This is due to the social skills of the leadership who have consciously developed its profile by involvement in wider issues that link to or have the potential to impact on the Shared Lives sector, for example innovation, co-production, integration of health and social care, inclusion and personalization. This has led to influence on the national stage and enabled them to form connections to government, other independent social actors, and to bring together and organize other groups to maximize influence. This relatively high profile is important for the growth of SLP and the Shared Lives sector. It has also meant that government ministers have been vocal in their support for the Shared Lives model of care, including

speaking at the annual national Shared Lives conference organized by Shared Lives Plus.

As a consequence of this profile they have been able to achieve their aim of influencing national decision makers to develop laws and policies supportive to their member's work. SLP has helped shape legislation such as the Care Act which is seen as helping members to be seen as more central to achieving 'well-being', now defined as the core goal of social care. On a national level, the CEO of SLP is involved with various bodies connected to health, social care and the voluntary sector and has also been a member of implementation committees, led consultations and reviews, and given evidence to parliamentary scrutiny committees

Evidence and growth

"We do not have a standing pot of money for funding research but we have a strong track record of collaboratively fundraising for research and evaluation projects."

SLP is a small but ambitious organization and has a sophisticated understanding of the need for more than service user and carer anecdote to convince the 'wider world' of the benefits of Shared Lives. It has recently supported the development of an outcome measure-

ment tool specifically for Shared Lives by allocating some grant funding for this, working with a university partner to ensure credibility. This tool will measure the well-being of users of Shared Lives and enable services to be able to demonstrate their achievements locally to commissioners and other stakeholders. It could be a valuable tool in measuring the difference Shared Lives makes to individuals and groups. For SLP it provides the opportunity to be able to draw on these data at a region-

al and national level through an online portal developed alongside this. This is a free resource made available for Shared Lives services.

In terms of how it presents itself, the organization needs to encourage membership amongst the providers of Shared Lives services, but to achieve this aim also needs to more widely promote the reputation and trustworthiness of the Shared Lives sector to encourage its use by local authority commissioners, users of social care services and their

families. It actively positions itself within the social care sector by drawing on arguments of efficiency and savings available through using Shared Lives based on some small-scale pieces of work. The emphasis on savings is important as it is seen as the way Shared Lives can continue to grow in a time of austerity. SLP not only uses evidence from research to promote Shared Lives but also social care regulatory body (Care Quality Commission) monitoring information where Shared Lives often out-performs other community-based services.

Growth and safeguarding the future of the charity

SLP like other charities needs to work to ensure funding and sustain work for members into the future. SLP receives income from members who pay a membership fee but the kind of support and services SLP provides for members is dependent on the fortunes of Shared Lives schemes, most of whom are located in the public sector, and the self-employed Shared Lives carers who provide the service. The 'member offer' is key to sustainability for the organization and SLP work to change and improve that offer to keep and attract new members,

such as specialized public liability insurance alongside legal expenses insurance and a legal advice helpline. SLP has ensured that the cost of membership is falling at a time when Shared Lives carers are under increasing pressure with cuts to other social care services. SLP are introducing new systems to streamline responses to members and new commercial partnerships to help reduce the cost of living for Shared Lives carers. Membership amongst Shared Lives carers has increased each year since 2012.

Growth and a business model

"Our plan to grow the sector includes attracting new kinds of investment to grow local schemes, via the Shared Lives Incubator which is starting to attract investors and interested local authorities wanting to grow their local scheme safely and sustainably."

SLP has also adopted business language and approaches to help individual Shared Lives schemes grow. The Shared Lives Incubator is a partnership

between SLP, Community Catalysts, social investment experts and a leading care provider charity. The premise being that socially-minded investors such as charities which might otherwise invest their endowments on the stock exchange, can make modest return on investments in helping Shared Lives schemes to grow. The investor puts their money at risk to employ a new SL scheme coordinator. If the local scheme grows successfully, the host council pays a premium on top of the usual cost

of new Shared Lives arrangements to provide the return on investment. The Incubator is not just about bringing investment into schemes, but also to en-

sure that schemes are operating as effectively and efficiently as possible.

Growth and funding sources

SLP are constantly trying to build new relationships with funders and applying for grants. A key achievement in challenging financial times was obtaining new funding over five years from the Big Lottery, Nesta and the Cabinet Office to secure work in the immediate future, as well as to redevelop the membership offer to be better value for members. The Big Lottery funding (£1.4 million) is for a five year program to double the number of people using Shared Lives in England, with a focus on older people. The ambition is to integrate the Shared Lives model further into the systems of local and national care providers, including the National Health Service.

The Big Lottery (a non-departmental public body responsible for distributing funds raised through the National Lottery) funding has helped with the profile of SLP, attracting match funding and signaling investment readiness to other investors. SLP believe they are in a position now to plan for long-term sustainability with a more even spread of membership, charitable and other income sources. SLP also obtained funding from the Department of Health and NHS England to improve the strategic capability and capacity of the organization and to develop or set up new SL schemes with a health focus.

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SOCIAL ENTERPRISES



DEŠA DUBROVNIK

SUCCESSFUL RIDERS ON THE THORNY ROAD OF SUSTAINABILITY AND DEVELOPMENT

1. ABSTRACT

DEŠA Dubrovnik-DEŠA (desha) is a civil society organization operating in Dubrovnik, Croatia, formally founded in 1993. DEŠA's aim was to help women and their families to better cope with hard times and life conditions. The history of the organization's activities clearly shows the way in which it has developed over the years, from the help it initially organized for refugees and displaced women in the period of emergency, to the introduction of special projects, made to measure for the post-war reconstruction problems. DEŠA has evolved from providing work for therapeutic purposes to offering occupational training and self-help projects. DEŠA's focus has always been concentrated upon the woman, as a mother or a spouse, as a researcher or a keeper of tradition, but also as a promoter of positive changes in family and community.

Nowadays, through its educational and developmental projects, DEŠA encourages women to become econom-

ically independent and to get actively involved in the transition processes of the society. DEŠA also developed social entrepreneurship activities. The sustainability of organizations is guaranteed by strong embeddedness in the community. Some barriers to their work are still present on the institutional level, even though the community recognizes them. Social entrepreneurship is not incentivised by institutions and tax framework which severely restricts the growth of that part of the activities.

DEŠA expanded their impact in the county and beyond. They compensate possible lack of financing through a diversity of financing sources. DEŠA's networking capabilities certainly help them in developing and implementing projects. A wide range of stakeholders and commitment contributes to sustainability. It makes the organization more flexible in times of crisis and allows better exploitation of local resources.

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2. DESCRIPTION OF THE CASE

2.1 History and development of the TSO

DEŠA is a civil society organization operating in Dubrovnik. On 1 March 1993, just a few months after the end of the siege of the city, a small but dedicated group of Dubrovnik women started with the workshops of sewing, cutting and assembling the quilt in a mosaic of “patchwork” with the significant name of Libertas. In these workshops the women gathered, talked, consoled, and life returned little by little to normal. In the fall of 1993 DEŠA organized similar workshops of collecting medicinal herbs throughout the Dubrovnik-Neretva County. Even then, the workshops included 350 women. That project was called “Psychosocial adjustment and the help women - displaced, refugees and local women in need”. DEŠA’s working program was a profound response to the temporary situation in the city full of refugees and displaced persons. At that moment DEŠA’s activists considered helping traumatized women, displaced and refugees as most important, there-

fore they started as a humanitarian organization. Those women have become active stakeholders of social change.

From the very beginning DEŠA has been oriented on resources from abroad. The same contacts will soon be activated in the organization of exhibition sales of handicrafts produced in DEŠA’s workshops. When the war came to an end, DEŠA was prepared for new challenges. Even then it was clear that tourism would be the basis for recovery of the citizens of Dubrovnik. Women now were trained to adjust to a new, more open and more ruthless labour market. DEŠA has responded to this challenge by launching foreign language courses. At first, there was German and English, and the beneficiaries were unemployed women. A few years later, DEŠA’s course and workshop doors opened to all interested citizens and continued to develop different projects and activities.

2.2 Legal and organizational form

The association was registered in the year 1993 and has a long tradition. Its name has been established in the civic sphere in Croatia. The organization has developed a branch consisting of a wide scope of activities and became more functional in conducting its activities and delivering services. That means that they have become one of the leaders and a recognizable part of the development of local communities. They also have a convenient place to work. DEŠA’s office is located in the central neighbourhood Lazarettos in Dubrovnik, an attractive location and as such accessible to stakeholders. Despite the urban

location, DEŠA rents the space under relatively affordable conditions.

On March 21st in 2001, DEŠA founded a branch office in Slano. The objective was to actualize a problem of unattended and destroyed cultural heritage of Dubrovačko primorje. DEŠA started a multi-annual project which was called “The renewal of the identity of Dubrovačko primorje”. Nowadays, DEŠA Slano establishes positive changes in the community, through organizing different educational programs and lectures to promote sustainable development, including young people and all inhabi-

tants in the community. DEŠA Slano has 30 members and about 35 participants take part in the educational programs every year.

Activities have been put in place which the organization saw as being an opportunity to further the development of transforming towards a social entrepreneurship. They are considered as a hybrid organization. Many organizations in the third sector are hybrids that defy the “clean” forms of coordination mechanisms (Brandsen et al. 2005). In time they noticed that the fruits of bitter orange, the natural resource of this area and numerous decorations of Dubrovnik gardens, were decaying. With that, the idea of social entrepreneurship began. Owners of oranges agreed to donate them to the association. As soon as the oranges ripe, owners invite DEŠA members to harvest. They make jam and “arancini” from them, and the funds raised from selling the sweets are

used for the maintenance of DEŠA’s educational centre and other activities. To sell their products and contribute to Dubrovnik’s cultural life, the organization started a jam and marmalade festival, which is held in early autumn in the Old City. However, the organization faces a general environment in which social enterprises are still not recognized. They lack institutional support and a fitting tax and legal framework. Previous business experience of the founder helped their social entrepreneurship orientation sector. It has been shown in previous experiences that people with experience in the business sector are more successful in launching social enterprises. They needed to register their social enterprise as a limited liability company. As such, they do not have any benefits from the fact that they are conducting business, and are in nature a social enterprise. The social enterprise named DešaPro was registered in 2012.



2.3 Organization chart and governance structure

Governance and participation

Since its beginning, DEŠA based its projects on the needs of the community. After multi-annual work on different programs in the community and the implementation of the projects, the organization found itself in a developmental phase. The leaders conducted a system-

ic survey of former experiences, gained knowledge, and developed resources. For that purpose, they decided to use a participatory process of strategic planning of organizational development. The result was a strategic plan for the period from 2008 to 2012, which was

the foundation for developing DEŠA recent activities.

Besides social entrepreneurship, they have made an impact with their innovative actions to help the refugees and new forms of inclusion of women in economic activities. Their regional impact is of particular importance as an organization that supports smaller organizations whose capabilities for participation they enhance.

The democratic management board has five members which are selected by the assembly and within the board a president is elected. All decisions regarding the operation of the association are made by the board through a majority, and meetings are held at least once in 2 months, but can be more frequent if needed. They also have the executive director, who is not on the board and who is responsible for carrying out operational tasks in the organization.

Leadership

DEŠA conducts activities of the regional development of civil society and local communities in the area of Dubrovnik – Neretva County. Activities include informing, consulting and training in cooperation with the partners of the “Step”. The Step program is part of the Regional Development Program. It is a partner of five regional networks of specialized organizations of civil society, thereby contributes to the harmonization of regional development. The program is supported by The National Foundation for Civil Society Development. DEŠA actively helps other organizations in the region. Also DEŠA is one of the founders of the cluster for eco-innovation and social development – CEDRA HR⁴⁷, which tries to develop

social entrepreneurship and sustainable development in Croatia.

Strong leadership of President Jany Hansel is crucial for the “life” of the organization. The president has become a capable person on the regional and national civic scene, not only in DEŠA, but in various other public issues and areas. She has fostered communication between civil society and policy makers and is also recognized on a national level. She proved to be capable in achieving cooperation with the local and national level⁴⁸ and managing different relevant stakeholders. The reputation of DEŠA is recognized in the wider community, and they are established in the region.

Stakeholders and Cooperation

DEŠA is recognized in the community. People interested in educational and creative workshops are calling weeks before the association publishes a call. The tourist board regularly places DEŠA activities in the tourist offer of the city and county. DEŠA today is seen as being

close to citizens and as being a reliable partner to national and international organizations and institutions, perhaps due to the fact that, today, after 22 years, small local projects are still implemented with the same enthusiasm and determination with which they are

⁴⁷ <http://www.cedra.hr/hr/pocetna>

⁴⁸ She was also a long-term member of the Government Council for civil society development

implementing bigger and international projects with significant budgets.

They have encouraged donors from abroad to support the work of the association. So the members of the secretariat of the EU Council in Brussels bought DEŠA's first loom and weaving materials through their private donation, the city of Roueill Malmaison sent first sewing machines and fabric, and then Zonta International, Evangelische Frauenarbeit, Solidarité Femmes, Femmes d'Europe also joined in supporting the organization. The list of all who contributed their work and time, knowledge and skills, and, ultimately, the material means is very long. Among their partners are many of domestic and foreign government bodies, counties, and agencies. Just to mention a few: the Ministry of Tourism, Ministry of Culture, Ministry of the Sea, Transport and Infrastructure,

Ministry of Family, Veterans' Affairs and Intergenerational Solidarity, Ministry of Agriculture, Fisheries and Rural Development, Ministry of Health and Social Welfare, Ministry of Trade, Small and Medium Enterprises, Dubrovnik-Neretva County Dubrovnik, National Foundation for Civil Society Development, Government of the Republic of Croatia Office for refugees and exiles.

Also, more than 10 private companies have supported them. A great number of stakeholders from 15 countries are honorary members due to the support or help they have provided to the organization. A wide range of stakeholders contributes to sustainability. It makes an organization more flexible in times of crisis and allows better exploitation of local resources.

2.4 Services and/ or activities of the TSO

The history of the organization's activities clearly shows the way in which it has developed its mission over the years, from the help which it had initially organized for refugees and displaced women in the period of emergency, to the introduction of special projects, made to measure for the post-war reconstruction problems. DEŠA's focus has always been concentrated on the woman, as a researcher or a keeper of tradition, but also as a promoter of positive changes in the family and community. Since its establishment until today DEŠA has successfully conducted a number of larger, for the local community relevant projects, significant seminars and public lectures and participated in various conferences in the country and abroad, so that knowledge and experience achieved in such circumstances could be transferred and implemented in their own program, for the benefit of the local community.

DEŠA's projects are divided into: *Development projects, Educational projects and Projects for the strengthening of civil society*. All three areas will be explored in more detail.

DEŠA -Developmental projects

One part of the projects is orientated towards the development of entrepreneurial skills that support or reinforce the social and entrepreneurial capacity of the organization and beyond and connect the wider community with relevant knowledge. For example, the current project Social & Solidarity Economy as Development Approach for Sustainability has a goal to contribute to a coherent and comprehensive response to the universal challenges of poverty eradication and sustainable development. It was developed by COSPE (Cooperazione per lo Sviluppo dei Paesi Emergenti) and DEŠA is one of the wide partners from 23 EU

states that will contribute to informing and educating the public and enhancing competences of Development Networks and Social and Solidarity Economy. They are also fostering local cooperation. For example, the project „*By means of knowledge to the better future*“ aims at improving international cooperation between Dubrovnik and Trebinje. DEŠA provided international developmental aid to the Women’s Centre Trebinje.

One part of the development projects focused on community development and preservation of creative and traditional culture and the rich history of the Dubrovnik region. In the project “Protection and promotion of cultural heritage and traditional economic values”, the organization worked on the education and acquisition of practical skills in traditional economic activities. They were passing on to younger generations know-how, skills and experiences on the renewal of old crafts, weaving, embroidery, sericulture, and the active renewal, protection, and promotion of cultural heritage. The restoration of the traditional costume of Mljet was the first seed of DEŠA’s project that led to the idea of the original souvenir from Mljet. The project took the step forward from restoration to creation. Also, the project of restoring the mill in the village Korita – the Island of Mljet mill in the village Korita has put it in the function of processing olives into the well-known olive-oil from the Island of Mljet. They have advanced the tourist offer in underdeveloped parts of the island. They have enhanced overall capacities for sustainable development of local communities in the project of local development poles. The purpose was to train GIS technologies (Global Information System) for the purpose of an analysis of the present situation, planning of sustainable development and sustainable tourism of a territory, as well as alongside protection of local bio – diversification, natural, cultural and historical heritage. The project urban planning for citizens gave the contri-

bution to the strengthening of dialogue and participatory democracy among civil society organizations, public and local authorities in the preparation and development of spatial plans.

They were especially oriented towards the development of activities which have shown the potential of entrepreneurship and later became part of the socio-entrepreneurial initiatives. They recognized the capacity of local communities and have worked on their development. For example, they had a project in which they gathered the small family economies who have experience in growing the wild oranges at the wider territory of Dubrovnik–Neretva county and they have developed wild oranges jam production. They protected the wild oranges from Dubrovnik as an autochthonous plant. In cooperation with the association „Dubrovnik orange“, DEŠA-Dubrovnik organized the first Croatian festival of jams and marmalades in the project with the same name. That festival grew and became tradition. Besides promotional and reviewing component, the festival also had an educational character. The revival of sericulture/silk is one of the earliest projects with an interesting history. In 1993, when DEŠA first started to organize embroidery workshops, the hotels for refugees were crowded with women. However, they were missing silkworms. On Easter 1994 they obtained the first 11 grams of silkworm eggs that were smuggled to Dubrovnik and were distributed to the refugee families who were interested in silk production.

They also have projects oriented on tourism. Unlike mass and cruise tourism, they have recognized other tourism potentials, especially in the sphere of sustainable activities in combination with tourism activities. For example, they have raised the awareness of the population of the city of Dubrovnik on existing natural resources in the immediate vicinity and emphasized the importance of their

sustainable use in the project „Unexploited natural resources for the more eventful tourist offer in Dubrovnik“. A desire to help to restore the everyday life in Konavle, as well as national costumes as a symbol of the dignity of Konavle, was the main objective of the project “Restoration of sericulture” during the war. The original project built a strong foundation for future initiatives. By restoring the old and forgotten handicrafts, people from this region will enrich their production and tourist offer with the autochthonous product and souvenir – silk embroidery from Konavle. This project has started in the year 2000. “Entrepreneurship in tourism” was the project in which they made a manual for beginner entrepreneurs that helps to elucidate the various economic components needed in order to be successful in the tourist industry. This manual can serve as a useful source of information for any individual but was especially oriented towards local women and a step in promoting local entrepreneurship. The promotion of rural tourism development was the project that represented a form of self-help activity which is meant to further the economic development of the farming population of Konavle. Also, with the already mentioned COSPE they had, in 2002, started to work on this developmental program in the project centre for responsible tourism of the Adriatic region. They had a goal to establish the centre for responsible tourism of the Adriatic region in Dubrovnik, but also to valorise local resources and products through responsible tourism, to increase the income of the families and empower processes aimed at self-employment and promote co-operation and interaction of private and public stakeholders in a local economy.

DEŠA-Educational projects

Educational projects aimed to strengthen the capacity of local communities, but there were also a number of projects that targeted socially vulnerable groups.

Women, the group that DEŠA was focused on from the very beginning, are especially highlighted. Also, young people, as a group that often has difficulties integrating into the labour market and building social capital for a better integration into society, were recognized.

New knowledge and skills of the citizens in local community – the foundation of the future of the Croatia in the EU was aimed at encouraging the community of the Dubrovnik-Neretva County in understanding the role of the EU, to get them acquainted with the benefits of a EU membership and the benefits provided by the EU. Young people were specially targeted in the education in writing project proposals. *DEŠA's model of self-help* was the project that created and develops self-help methods, an organization of additional education and activities for the unemployed in the county, especially on the islands. *Easter exhibition of arts and customs from our county* was a project that organizes the Easter workshops on palm knitting and egg painting every year. An average of around 300 pupils and children from kindergartens from Dubrovnik participate in these workshops.

Many projects focused on education services to women and young people. For example, *Women Innovators for Social Business in Europe* is deploying and assessing experimental pedagogical plans based on e-learning methodologies for stimulating the development of skills required to turn ideas into social business. The local and international community is stimulated to exchange ideas on social innovation. The Economic empowerment of women through education project was used to improve the use of local resources on principles of sustainable development, by means of education and special workshops, as well as to affect the reduction of unemployment, especially for women and young people. It engaged educational activities that were

performed in various ways. *By education to health and social inclusion* provided psycho-social support for unemployed women. The project fostered social inclusion through educational programs, as well as the offering of counselling services to the beneficiaries, especially regarding their social protection. *An educational centre for women and youth projects* that runs for several years in co-operation with the City of Dubrovnik. This program has been recognized in the local community as an efficient and positive initiative. Promoting the employability of young people on geographically isolated/ remote islands is a project which is financed from EU funds oriented towards strengthening social capital by creating support networks, encouragement of the employment of young persons with disabilities. The project also advocated for the inclusion of vulnerable groups in decision-making processes. In the project *New Opportunities and New Approaches to increase the employability of young people with a university degree at the territory of Dubrovnik-Neretva County (N.O.N.A.)* DEŠA is working on increasing the level of knowledge and skills of long-term unemployed young people with a university degree and encouraging development of partnerships and communication between institutions and employers involved in the issues of unemployed youth. The goal of the project *More opportunities through new skills (M.O.T.S.)* is to increase working competence of the long-term unemployed women and unemployed women over 40. It consists of four distinctive educational packages that have raised knowledge and motivation of the unemployed woman.

Other projects addressed the specifics of the local community in particular groups such as drug addicts and the elderly. The project *Improvement of a quality of life of older persons by learning and acquaintance* helped older people acquire knowledge and skills to help them to maintain their physical and mental condition and

contribute to the quality of life. *Re-socialization of drug addicts through additional education* was the project that enabled addicts through educational programs, in order to become competitive in the labour market and to prevent social exclusion. That made the path towards finding a new employment easier for them.

DEŠA- Civil society

Civil society and its development has always been one of the priorities for DEŠA. That was shown through a part of the projects in which they strengthen human and technical capacities of civil society organizations in the region by providing them with education, expertise, and support. As a strong and developed organization, with a long tradition and recognisability in their environment, they support and encourage other organizations in civil action.

One part of the projects focused on training that brought new knowledge and skills into the local community that was partly directed at people exposed to various social risks. The project *Life-long education for better life quality provided* the acquisition of new knowledge, decrease of poverty and strengthening the market competitiveness. A similar project but on the different level was *By the exchange of experiences, knowledge, and skills to good co-operation in the Adriatic Region*. In that project, they worked on strengthening the cross-border co-operation that has a for the development of the entire Adriatic region. The focus was on educating unemployed people, on stimulating self-employment and on stimulating the autochthonous products creation out of available local resources.

Two projects have been directed towards the development of voluntary activities. The culture of volunteering in Croatia is still not at a high level, so this project was dedicated to give momentum to volunteering and have especially community-based benefits. *By means of*

voluntary work to positive changes in the community was a project that started in 2009. They have educated all stakeholders, especially the youth population, on voluntary work and involved them into voluntary actions. The youth population was encouraged to acquire new knowledge and skills. However, they also have raised public awareness for voluntary work through education and promotion and have promoted voluntary work and voluntary activities as social values. *Awareness Campaign about the need and importance of voluntary work* was another project on this topic. They have worked with several schools to inform the public, especially young people, with the concept of voluntary work, introduce the idea of volunteering and encourage them to participate.

General development and empowerment of the civil society in the local

community has always been one of the strengths of DEŠA. The impossibility of sustainability of the local representatives of civil society, insufficient capability for the advocacy and representation, as well as developing partnerships in the local community were identified as the problems in the „life“ of local civil society. DEŠA tried to tackle them in the project *Education of local community for civil society*. They have partly improved the position of this local community in the frame of development of Croatian civil culture, but they also deduced themselves to the similar work on the project *Technical support for the associations registered in the territory of the City of Dubrovnik* that had the intention to address the need for education, better information and greater participation in the processes of deciding at the local level and have strengthen the CSO´s capacities in the local area.

2.5 Finances

DEŠA has a stable income over the years and its revenues and expenditures are one of the economic significant orga-

nizations in the context of the Croatian society, especially regarding it´s long term sustainability.

Year	Income	Expenses
2015	1,654,970	1,644,197
2014	892,563	1,410,965
2013	938,185	1,236,748
2012	1.857,173	1,611,955
2011	2,118,335	2,006,540
2010	1,286,302	1,313,618
2009	2,120,508	1,395,307
2008	1,802,759	1,128,920

Table 1: Total DEŠA income and expenses per year in HRK⁴⁹

⁴⁹ 1 EUR amounts to around 7.5 HRK

Although we can see that in the years 2013 and 2014 the organization had more expenses than income, the revenue from the years 2009, 2008 and possibly earlier years, accumulated with the surplus of almost 2 million HRK, which

has helped the sustainability of the organization. That gave them financial security to be resistant towards a year or two of having less income and to guarantee stability to their operations.

Year	Income	Expenses
2015	220,621	268,129
2014	166,910	134,262

Table 2: Total DEŠA pro d.o.o income and expenses per year.

Profit from the company barely paid a third of the salaries in the year 2014, and in the year 2015, as it is seen from the table, not even that. However, the company operates, develops and slowly introduces the consciousness of citizens about the idea of socially conscious and responsible entrepreneurship. As any social enterprise in the Croatian con-

text, they are facing the challenges of sustainability. The president stated:

“We’re trying to be economically independent through our social enterprise, but are still failing, but we are persistent, and we believe that we, in a year or two, we will succeed.”

2.6 Human resources

In the war-torn city which passed through a huge transition, DEŠA could always and still can count on its members and its volunteers. When needed, they have taught in hotel rooms, facilities for the mentally ill and even in prisons. These women were proving daily how much can be achieved when it is done with heart. They were promoting the story of DEŠA around the world. Since the nineties, they have invested in human resources and in DEŠA continuously through various projects and technical assistance and through this enabled the strengthening of its human resources.

DEŠA currently (in the year 2016) employs five full-time employees and one part-time worker, and at the end of 2015 there were seven full-time employees. The employees serve as executive director, professional staff in the implementation of projects and the co-

ordinator of all activities of the association. In addition to that, DEŠA pro (in the year 2016) has one person working full time as a salesman and two part-time employees. One person was also employed at the end of 2015. Good relations are fostered within the organization and qualified staff is recruited in order to encourage sustainability of the organization. As the president stated:

“Relations between employees are good, excellent in fact, they work as a team and respect each other” and “DEŠA has a team of highly motivated people who are change agents in the community, which show a strong desire for constant growth, new experiences, and knowledge. We believe and love what we do. The teamwork and transparent work, perseverance, responsibility to customers and the community.”



3. STRATEGIES TO OVERCOME BARRIERS

The context conditions for third sector organizations (TSOs) in Europe have significantly changed as a result of the global economic crisis, including decreasing levels of public funding and changing modes of relations with the state (Pape et al. 2016). Policy changes associated with austerity do not stand alone, but take place against the background of broader societal problems in Europe and in Croatia. Government policies toward the third sector can also be seen as one of the key drivers for change. Specifically in Croatia, this means the continuation of a specific path dependency and „thorny“ development of the third sector. The goal of this case study was to identify and outline “strategies” or avenues by thick description for the successful survival of TSOs in changing environments. DEŠA was a particularly interesting example.

Distribution of civil society organizations in Croatia is proving to be problematic (Bežovan 2003). Civil society organizations are mainly concentrated in large cities and towns which are usually representing the county centres. However, the Dubrovnik county traditionally had one of the largest concentrations of civil society organizations in Croatia (Bežovan/Zrinščak 2007; Bežovan 2008). Besides DEŠA there are several successful civil society organizations that influence overall trust in these kinds of initiatives.

When it comes to networking and cooperation among TSOs, it was recognized as one of the weaknesses of the sector, but research (Matančević/Bežovan 2013; NZRCD 2010) suggests that there is an improvement in the cooperation among associations. This was partly explained by the design of tenders, which put emphasis on and

promote partnership in applications (Bežovan/Matančević/Baturina 2016; USAID 2014). Between organizations, a certain sense of competition is rising as organizations apply to more and more tenders to remain sustainable. Also, the organizations demonstrate low levels of networking on an international level (Matančević/Bežovan 2013; Bežovan/Zrinščak 2007). However, the position of DEŠA regarding networking and cooperation is different. The long history and identity were conditions for embeddedness of DEŠA in the local community. They have built numerous partnerships and gained local community trust as opposed to certain difficulties with the networking and collaboration parts of civil society in Croatia. They were seen as capable and reliable by other organizations and policy actors in the local community.

They expanded their impact in the county and beyond. They compensate possible lack of financing through the diversity of the sources of financing. DEŠA's networking capabilities certainly help them in developing and implementing projects. A wide range of stakeholders contributes to sustainability. It makes the organization more flexible in times of crisis and allows better exploitation of local resources. Also, as local authorities and the government do not regularly invite third sector organizations to participate in public policy they have made some improvements on developing good governance principles in the Dubrovnik County.

The sustainability of organizations is guaranteed by a strong embeddedness in the community. The president stated:

“One of the key forces of DEŠA, the value of social and humanitarian or-

ganization, that has a long history of action and which has built a high visibility in the community and thus the support of numerous individuals and organizations, which enable the development of high-quality partnerships in the community and in the region”.

Nevertheless, even though they are recognized in the community, some barriers to their work are still present on the institutional level. The centralized and paternalistic state overregulating development of services and social programs and development of local social programs is not coordinated and planned (Stubbs/Zrinščak 2012). Organizations are thus struggling to open new space for sector initiatives, especially in the domain of developing welfare mix. In the area of developing social innovations and social entrepreneurial activities, there is still a lack of support.

In the area of financing, we found that a lot of organizations consider lack of financing as a significant problem (Bežovan/Matančević/Baturina 2016). Diversification of the resources and donors is one of the aspects of DEŠA's organization strategy. More organizations are developing economic activities and competing in relatively “weighty” EU funds, in which they are relatively successful. DEŠA is the example of that. A lot of them started to think about self-sustainability. They are considering forming new types of organizations that will provide an economic support to their social mission (such as social enterprises and social cooperatives).

The aforementioned projectization goes hand in hand with professionalization⁵⁰, especially in project writing and management skills. Organizations

⁵⁰ TSI Survey; In the statements section we see some developments towards professionalization. “(My) Organizations devotes more resources to fundraising now than it did ten years ago” (68.24% agree or strongly agree), and „it is important for executives to have a business background in (my) organization” (70.00%; agree or strongly agree).

use various strategies to adapt in order to survive in uncertain conditions. They compete in a growing number of tenders⁵¹, which carry additional administrative tasks. Bureaucratization of organizations is a natural consequence of that. As the president stated:

„We’re trying to reduce the impact of external factors, such as the “fight” “obstacles” on the work of the organization, so that we use volunteers, who are recognized in the community, that by the help of volunteers the administrative staff can freely carry out their tasks“

and

„Problems with the implementation bodies, too much paperwork for a project, and we also have problems such as policy environment, for example. The government has reduced funding for CSOs by 50% ... An extremely big obstacle is the high bureaucracy for EU tenders and their difficult application and implementation and in particular unrecognizability of social entrepreneurship“.

Organizations are drawn from the primary mission and make them more like private companies. Professionalization is the result of a large number of implemented projects and the application of various tenders which are submitted. Of course this may be partly due to barriers in pursuit of sustainability but bureaucracy exhausts the capacity of the organization.

Low financial sustainability of the third sector as a whole makes it difficult to hire and retain experts and educated young people. The weak structure of human



resources is an obstacle for the stronger professional development of third sector organizations (Bežovan/Matančević 2011; Matančević/Bežovan 2013). However, due to its long tradition, recognition and impact that their commitment so far had in the wider Dubrovnik region, DEŠA manages to be an attractive employer.

For social entrepreneurship as a new sector in our context, there is insufficient information and lack of understanding of the term. Problems are identified which are related to the financing, the lack of human resource capacity and expertise needed to set up a social enterprise (Vidovic 2012; Vincetić et al. 2013). Social enterprises in Croatia are recognized not as a separate legal form but as a status that an organization has by the nature of its operations and missions. Social enterprises are most typically hybrid organizations, associations, and foundations with trading activities and some private institutions. DEŠA also opted for the hybrid organization, which is a limited liability company strongly intertwined with the association. Social entrepreneurship is not incentivised by institutions and a tax framework which severely restricts the growth of that part of the activities. Still, for economic activities which are

⁵¹ TSI interview 3 “they are applying to different tenders, adjusting their activities area to the tenders and not towards their capacity” and “some organizations have the capacity for different areas....simple they have become organizations that have a comparative knowledge and opportunities for different things ... and some organizations definitely adapts without real capacity – with intention to survive ... for an areas, in which they start to develop their capacities after they get the project”.

the core of activities of social enterprises a tax framework is certainly limiting. It is necessary to adjust the tax frame, especially taking into account their economic characteristic of social entrepreneurship. Also, previous support programs were not adequate for the development of social entrepreneurship and philanthropy. The first strategy for the development of social entrepreneurship in Croatia although has its flaws, if quality is implemented and if it develops cooperative relationships and recognition, the policy level can have importance for further development of the supportive framework for the new sector (Baturina 2016).

ability. A capable and committed founder became significant in the life of the town and carved out a niche of a specific type of networking and impact. She had relevant previous experience in the tourism sector, on which she built up knowledge and skills in developing DEŠA, especially educational and socio-entrepreneurial activities. The president and founder seems very capable in the promotion of ideas and dissemination and gathering local stakeholders. She is part of different local bodies that have influence in the decision-making regarding civil society and the overall quality of life in Dubrovnik.

At the end, we must mention one of the key factors of the organization's sustain-

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FUNDACIÓN SANTA MARIA LA REAL DES PATRIMONIO HISTORICO

ABSTRACT

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Fundación Santa María La Real is a Spanish cultural foundation success story. Deploying a strategy of growth, diversification of its activities, partnerships with private-public institutions and leadership of one of its founders, this foundation has worked toward community development in a depressed

region, training and employment for thousands, particularly young people, and reappraisal of a very rich historical and cultural heritage that has led, in turn, to the development of a new area of economic activity in the cultural and tourist industry.



A history of a cultural TSO that enhances rural development and labour insertion of young people valorising historical Romanesque buildings

Most of rural Spain typically shows a triple process of socio-economic erosion. Firstly, for centuries the countryside has been suffering a decline that has forced its inhabitants to migrate to the cities and abroad, impoverishing the area still further. Secondly, the country as a whole, and the rural world in particular, possesses a rich historical and artistic heritage, but what could be an asset for tourism and socio-economic revitalisation is often left to decay due to a lack of financial resources and initiative. Thirdly, these areas are harder hit by unemployment and social exclusion in times of economic crisis. This is the case of the district in the north of the Castile and Leon region where the Fundación Santa María La Real is situated, which has one of the highest concentrations of Romanesque art in Europe. Over time the foundation has managed, successfully and innovatively, to turn this decline around.

The experiment began in 1978 at the height of the oil crisis when a group of volunteers from the district who were conscious of these problems decided to take action and set up an association, the Asociación de Amigos del Monasterio [Friends of the Monastery association] at Aguilar de Campoo. One of the founders was an architect José María Pérez, famous as the cartoonist Peridis, who is still one of its guiding lights and in 2008 was awarded the Social Innovator national prize.

The many challenges facing this association consisted in restoring and renovating historical buildings – the first was the Romanesque monastery – by mobilising volunteer and professional resources (technicians, engineers and architects), and simultaneously providing vocational

training for young unemployed people from the area, acting as a focus of cultural dynamism, organising academic and recreational communication activities and putting on plays and concerts connected with the world of Romanesque art. The main aim was triple-pronged: revaluation of the historical heritage, revaluation of people – giving them training and employment – and revaluation of occupations and trades that were in the process of disappearing. Taken as a whole, its activities constituted a social innovation experiment of the highest order. The first key building/asset to be renovated was the Monastery of Santa María la Real, the organisation's headquarters. In 1984, a secondary school for young people from the district was also founded within its walls. The process has been cumulative.

One social innovation of particular importance is the Escuela taller, or workshop school. It consists in combining the heritage restoration work with architectural, archaeological and restoration training for young unemployed people (whether graduates or unskilled). This work insertion practice is exemplary. In 1985 it received financial assistance from the Spanish Ministry of Labour. In view of its confirmed success, this technical and vocational training school model was subsequently exported to the rest of Spain and also to Latin America and Africa.

Financially, the association grew and diversified, positioning itself in a field with increasing demand: Romanesque culture and heritage. The succession of different activities, innovations and enterprises it has activated have all revolved around this central policy.



From association to foundation: change in legal form to overcome barriers

The growth of the organisation brought pressure to change its legal form. In 1988, in order to secure its cultural and academic dimension, the pioneering association adopted a national scope and changed its name to Centro de Estudios del Románico [Romanesque Studies Centre]. In 1994 this gave rise to a larger institution with a more appropriate legal form, the Fundación Santa María La Real, a non-profit private cultural foundation of national scope. A major new transformation took place in 2014 when it merged with another smaller

cultural foundation, the Fundación del Patrimonio Histórico de Castilla y León [Castile and Leon Historical Heritage Foundation].

The mission of the foundation is to generate development based on enhancing the value of the cultural, natural and social heritage. This covers different areas of the ICNPO classification, such as Culture and Arts, Employment and Training, and Economic, Social and Community Development. This mission is pursued through three specific aims:

- Promoting the conservation, restoration and enhancement of the assets that make up the cultural, natural and social heritage and facilitating knowledge about them and its dissemination, with particular attention to Romanesque art, the Monastery of Santa María La Real at Aguilar de Campoo and all the heritage of the Castile and Leon region.
- Proposing and carrying out training and work insertion programmes bringing socio-economic dynamism.
- Contributing to social and economic development by providing services that favour the integration of the different groups that make up the community.

Diversification of activities

Over its years as a social organisation, the organisation has been active in three spheres:

- Training and work placement: from the first Escuela taller and Casa de oficios (technical and vocational training school) initiatives to the current Lanzaderas de empleo y emprendimiento solidario (employment and solidarity entrepreneurship launchers), via setting up the secondary school, the Girolab Innovation and Entrepreneurship Centre and the employment agency, and training for employment through postgraduate courses in cooperation with universities. In particular, it has targeted unemployed graduates and young people with no further education or training.
- Heritage action: historical heritage rehabilitation and restoration, including the Monitoring Heritage System (MHS) and the Northern Romanesque and Atlantic

Romanesque action plans, as well as museum projects and technological and historical research.

- Cultural and tourist industries: a number of the foundation's units and activities are linked to Romanesque culture and heritage for which there is a solvent demand in society. They include the Centro-museo Expositivo Rom: románico y territorio [Rom Exhibition Centre-Museum: Romanesque and place], publications (particularly the Enciclopedia del Románico en la Península Ibérica), cultural routes, archaeological routes, courses, workshops and seminars, the Canal Patrimonio heritage portal, the Románico Digital database and portal, etc.
- Activity diversification through services linked to the historical heritage: a retirement home, visitor accommodation and a restaurant have been opened.

A strategy based on private resources and professionalized personnel

Financial sustainability and independence have been constant objectives for the foundation. Consequently, it has tried to diversify its funding sources and activities to ensure the continuity of the latter, reduce the financial risks and professionalize its human resources.

Public subsidies and membership fees have been essential for activating the foundation's projects but were insufficient for its development. Funding has been sought from private sponsors and the sale of services and products.

"Initially we had the members' fees and help from the authorities for restoring the monastery. Then came a boost through the Escuelas-Taller, or workshop schools, which we set up here initially in 1985 and which brought in new professionals, very young people who adopted the philosophy of the original association, the seed from which, in time, the present-day Foundation sprang. Little by little we stopped resorting to public subsidies and gradually increased the proportion of funding we raise through carrying out projects we design here, seeking

sponsors or, preferably, members, particularly from the private initiative sphere, to help develop or implement them." Interview with Jose María Pérez (Peridis), 16.2.2016, Architectural Digest Spain.

According to the 2014 annual report, over 86% of the organisation's revenues come from sales and the provision of services in the course of its ordinary activities. Ordinary revenue from commercial activities and capital expenditure (work carried out by the organisation on its own assets) account for 12% of funding and only 1.19% comes from public sector subsidies.

Over the past three decades, the foundation has grown. In 2004 it employed a staff of 118 in its various departments: 30 in the project development office, 14 in the Romanesque Studies Centre, 15 in the heritage conservation programme, 46 in the retirement home and 13 in the hospitality unit.

The Amigos del Patrimonio [friends of heritage] association has over 2500 members.



In 2010, the organisation's assets were valued at €10.5 million. Following the merger and further growth, in 2014 this had rose to €19 million.

In the area of education and employment, the foundation has trained thousands of people. In its early years it had five technical and vocational training schools, teaching 700 students each year. This programme has been replicat-

ed by other organisations and government bodies, and over 700,000 young people have taken part in its social integration programmes in Spain and in 17 South American and African countries. In the past few years almost 3,000 people have taken part in the Lanzaderas de empleo (employment launchers) programme, which has a mean work placement rate of 60%.

Organisation chart and governance structure

The governing bodies of the foundation are the *Patronato* or Board of Trustees and the *Comisión Delegada* (as the governing board is called in this Foundation). The Board of Trustees sets the guidelines for the organisation's actions and ensures its correct administration and the pursuit of its aims. It meets twice a year. Between meetings, it delegates to the governing board.

Stakeholders. The Board of Trustees is made up of public and private organisations from the region. The public institutions include the provincial council of Palencia, the town council of Aguilar de Campoo, the University of Valladolid, the Duero Hydrographic Confederation (river authority) and the regional government. The private organisations include three savings banks, other foundations such as the Fundación San Cebrián and private companies based

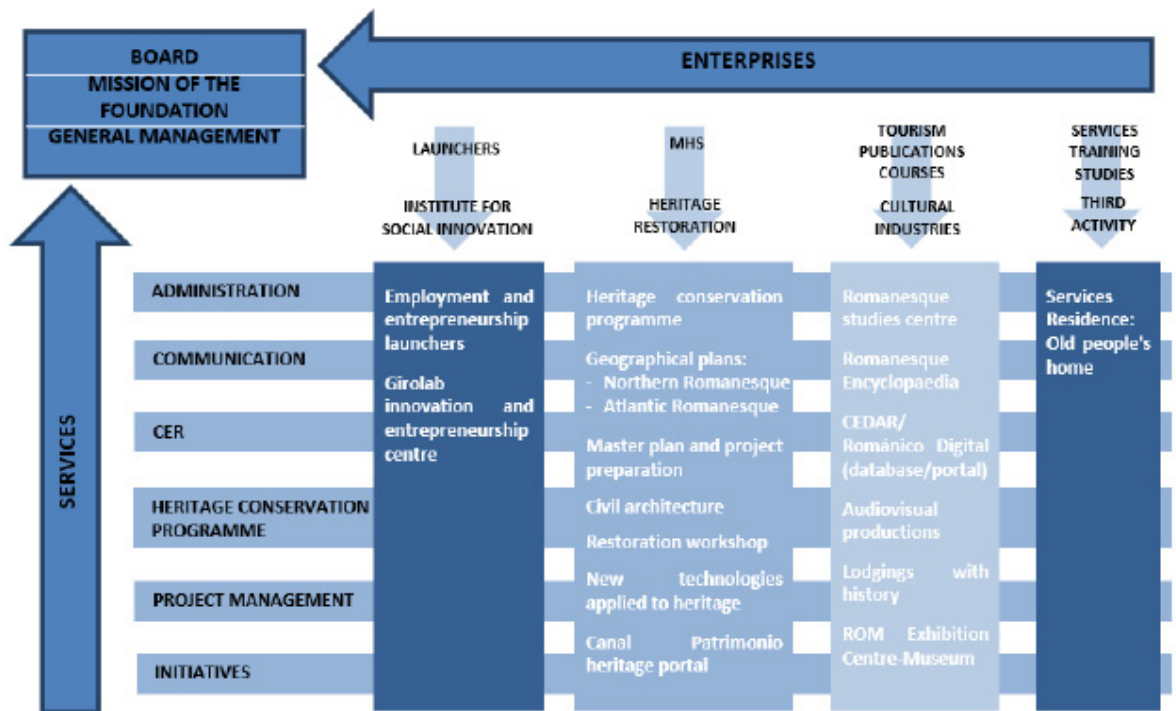
in the province such as Galletas Gullón and El Norte de Castilla. The foundation also has a professionalised management team in charge of planning, managing and implementing the guidelines set by the board of trustees.

The organisation chart of the foundation is structured around the different programmes and initiatives currently in operation.

In order to encourage worker participation and involvement, the *Consejo Social*, or social council, was set up in 2008. This consultative body promotes activities and dynamics geared to improving aspects such as lifelong learning for the team, the work/family balance and communication.

The foundation is a member of the Spanish Association of Foundations, and its chairman is on the executive committee of this association.

Organisation chart of Fundación Santa María la Real



THE ADOPTED RESILIENCE STRATEGY

Cooperation and leadership

One of the key factors that has made this venture a success is the capacity to weave a fabric of stable collaboration with public and private organisations and with civil society. This growing collaborative network has given the foundation stability, resources and continuity in its activities.

In its early years, it obtained support from the local town council, some private companies in the area and the local population and volunteers who were interested in the historical heritage. This strategy of collaboration has been developed and strengthened over time and the network of collaborators has been diversified.

The organisation has worked with different government bodies in the multiple activities it has undertaken, from its initial contacts with the Aguilar de Campoo town council, to the Ministry of Labour over the past two decades, and now the European Social Fund, on programmes such as the technical training schools and the 'employment launchers'. With regard to training projects, it has established partnerships with the universities of Valladolid, Burgos and León, which include a postgraduate specialisation in social innovation to foster employability and entrepreneurship and a masters' degree in cultural heritage management skills. However, it has eschewed dependence on public subsidies.

The organisation has been able to count on financial cooperation and help from savings banks and the patronage of private companies from the area. Its latest major project is on a national scale and has the cooperation of the Fundación Profesor Uría (a foundation), the regional government of Cantabria, the Obras Sociales (savings bank charitable work foundations) of La Caixa and of Caja Burgos, Acción contra el Hambre (an anti-poverty NGO), Andalusia Emprende (a public-sector foundation), the Ministry of Labour, the Telefónica and Barclays foundations and numerous local councils.

The capacity to deploy innovative practices

The most innovative practices introduced by the foundation and its predecessor, the Friends of the Monastery association, are:

- Innovative formulas combining training and work placement for unemployed young people with the renovation of historical buildings. The first of these formulas were the Escuela taller and Casa de oficio technical and vocational training schools, a model that has been adopted by the government of Spain and by other countries in Latin America and Africa.
- Revaluation of the historical heritage through mobilising a network of public and private bodies and volunteers that have each contributed different types of resources, depending on their own particular circumstances. This stable collaboration network has been one of the key factors for success.
- Positioning in a policy field with growing and solvent demand in Europe and Latin America, at the intersection between cultural industry activities, tourism, training and technological research. The foundation is a leading light in innovation applied to heritage. It designs local intervention plans which have given birth to a new form of heritage management and the Monitoring Heritage System (MHS), a tool with many applications that is intended to guarantee preventive conservation of heritage assets and their integral management and has already been adopted by Telefónica, a top multinational in the technological sector.
- Diversifying its activities has been another innovative practice that has also enabled it to grow and to reduce risks.

- It has promoted local community development, starting with Aguilar de Campoo, with initiatives such as the Residencia Tercera Actividad retirement home, Alojamientos con Historia or lodgings with history, the Rom exhibition centre and the Ornamentos Arquitectónicos (architectural ornament) craft workshop.

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LA VARAPPE

WORK INTEGRATION SOCIAL ENTERPRISE

In order to create this case study, we met the director (in fact the CEO of the group), a member of the supervisory board, (who was also the general secretary of the work integration enterprises' federation at the national level) and the person responsible for human resources management in the "work integration" department.

ABSTRACT

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La Varappe is an interesting example of an association that changed its structure, legal form and scale to face the evolutions of their competitive and institutional environment. La Varappe was an association created primarily in tied relationships with local public authorities to foster work integration in their territory. Operating in competitive markets, La Varappe had to grow and change its scale. From this perspective, La Varappe chose to adopt a commercial legal form (société par action simplifiée) in order to be able to attract capital to develop its activity. Today the association La Varappe is part of a holding company (Optima) but it owns more than one third of the shares of the holding. However, La Varappe has been

very aware of adopting important safeguards to guarantee the pursuit of the social mission as the priority goal of the holding and to protect the associations' values. La Varappe, from this point of view, has found an innovative solution to face the scale and development barrier of associations that are limited in their development by the associative form (and its difficulties to access to capital).

The group is labeled as a work integration social enterprise. It also received the "social utility social enterprise" label (entreprise sociale d'utilité sociale-ESUS) defined by the Social and Solidarity law adopted in France in 2014. This label acknowledges that the social

mission of the social enterprise, explicitly mentioned in its bylaws, is important enough to have a significant impact on the performance of the organization and on the allocation of the surplus. In 2014, 88% of its workforce was composed of workers in the field of integration. It also needs to be noted that at least 20% of the benefits of the organization have to be allocated to a capital lock.

The main strengths of this initiative come from its coherence in three dimensions: economic, social and territorial. Its economic coherence comes from multiple activities, as it is quite rare to propose temporary work, envi-

ronmental jobs and energy. Its social coherence comes from their wish and capacity to support the re-integration of any worker with any weaknesses or problem. Last but not least, its territorial coherence lies in the local anchorage of the organization and in its belief that territorial integration is an important element for success.

In addition, success factors are to be found in the fact that the organization has a strategic vision, maintains strong values and adopts a search behavior in favor of innovation. The organization is seen as a laboratory and a social innovation incubator. It is ready to take risks and to experiment with new models.

DESCRIPTION OF THE CASE

History and Development

La Varappe was created in 1992 by local authorities who wanted to create a work integration association on their territory, taking the opportunity of the development of an industrial zone (with fiscal advantages) to attract enterprises in the area and of an urban policy to develop a deprived neighborhood (the program was called Charrel 2000). They decided to create an association that benefited from a strong support of the city to develop work integration linked to the environment and temporary work for public and private actors. Very quickly, this association hired 10 employees, recruited by the municipal services and the major part of their work was realized on construction sites from the city through public tenders. From 1992 to 1997, two directors were nominated. One of them defined a real social project for the association.

In 1997, the current CEO of the group was hired. He was a twenty-six-year-old engineer who was looking for a job

where he could “work differently” and in an enterprise of “human size”. From the start, he had an “entrepreneurial” profile with a willingness to start up a project, test new ideas and take some entrepreneurial risks collectively. He was also concerned by the fact that someone could be considered as “unable to be employed.” These were the reasons why he was a candidate for this job. When he became the director, the association had a “compliance” or “rubber stamp” board of directors, which was made of “friends.” He received a lot of freedom in the strategic and management decisions of the organization.

From 1997-1998, the director started to develop the association aiming at reinforcing its positioning on the markets of the construction industry and green spaces maintenance and increasing the financial independence of the association. In addition, from a personal point of view, he wanted to earn a good salary (as the boss of a SME), he was at the

beginning of his career and he did not want to give up all his career perspectives. In one word, he wanted the work in the integration enterprise to do the same as a “classical” enterprise. He did not want to be on a “specific market dedicated to the poor”.

Due to his commitment the director built his development strategy on four main premises:

- Work is still the basis of integration within a society.
- It is the economic project that will make the social project more efficient (effective) (the economic performance has to be the vector for a social value)
- The enterprise is the best in supporting development of such an efficient action
- Nobody is inherently unemployable

Cooperation and leadership

La Varappe first adopted an associative legal form (association Loi 1901) with strong support of local public authorities. However, given its development from this period, in particular since the end of the 90s, the associative legal form was not really adapted to the necessity to raise capital to invest and develop new productive activities.

Today, La Varappe is a holding company, created in 2008 and called Optima with a business legal form of S.A.S. (société par actions simplifiée). This holding is composed of different subsidiaries in three main activities: integration temporary work (Eureka interim), green spaces maintenance and waste management (LVD environment) and energy (mainly recycling industrial containers and transforming them into offices or housing, LVD energy). Attached to the holding, there is also a collective inter-

est cooperative called Provence Découverte which sells local products and promotes local craftsmen. In 2016, an employment and activity cooperative (CAE) was founded with an enterprise incubator (the association COSENS) and an individual entrepreneur. The CAE is a specific type of cooperative that gives the opportunity to an entrepreneur to have a more secure environment to launch his activity. More precisely, the CAE provides to the new entrepreneur a legal framework, a permanent contract and social protection. The cooperative supervises all the administrative, accountant and fiscal side of the activity to give the entrepreneur time to focus on his or her activity. The CAE is an original form between an entrepreneur status and a paid-worker with an explicit aim to develop economic activity and employment on the territory on which it is located.

Cooperation and leadership

The mission of this group is to pass on savoir-faire and life skills, to give some “codes” (forgotten or never learned) to people excluded from the labor market

to help them to define their professional project. La Varappe is considered to be “a pioneer of competences”.

La Varappe has strong ambitions:

- To develop a sustainable economic model in partnership with its territorial ecosystem.
- To operate a change of scale: their aim is to significantly increase its financial turnover.
- To develop strategic alliances with big enterprises to facilitate links and secure integration paths.
- To constantly innovate both on products and services and on social responses to territories to support weaker populations.

The social mission of La Varappe can be described as follows:

- To recruit/hire somebody who has major difficulties regarding getting employed,
- To professionalize him/her by transferring/transmitting skills and competence,
- To be a social intermediary, in the sense that I build a climate of trust in order to try to identify potential difficulties and try to make the people contact the partner who could best help him/her (a doctor, a psychologist, a lawyer...),
- To train and qualify the workers,
- To help them to find a job, with the help of our enterprises network, given the trust and the reputation built by the organization.

Values are summarized in the chart of the group as follows:

- Start up and have success together
- Act in partnership with the social and economic environment
- Support and make people aware of their responsibilities
- Develop a personalized relationship and project (with workers in integration)

In addition, one major ingredient has to be stressed to understand the “success” of this organization: the constant/permanent attention paid to innovation at the economic technological and social levels. There is an innovation incubator aimed at inventing and testing the future organizational model. According to the general director, “a social enterprise has to be an enterprise that innovates”. It is important to reveal emerging tendencies or changes in society and to be able to propose responses to these new problems of challenges.

As far as governance is concerned, the structure of the holding is rather com-

plex. There is a general assembly of associates (capital owners/ shareholders) of the S.A.S. There is a board of directors (comité de direction), a supervisory board (conseil de surveillance) and a wage committee (comité de rémunération).

The board of directors is composed of 4 members, who may be associates. The members are: the president of the group, the president of the La Varappe association, the financial director of the group (or one of subsidiaries) and a person designated from a proposition made by the supervisory board. Decisions are taken at the majority (one person, one vote). The board of directors takes the strategic decisions for the organization and monitors their implementation.

The supervisory board is composed of maximum 7 persons chosen between the associates or externally. It meets 3 to 4 times per year and gives advice on all the important decisions for the organization and controls the annual accounts. Decisions are taken by majority (one person, one vote).

The wage committee controls remunerations within the group.

The ownership of the holding is shared between the association La Varappe Développement (that owns 40% of the shares), shareholders which are solidarity funds (such as La Société d'investissement France active, the society Phitrust Partenaire, FCP Finance et solidarité from AMUNDI, Multipar Solidaire from BNP Paribas, Institut de développement de l'économie sociale) and individual members. Directors can also be associates. Today, the president and one director of the enterprise are associates of the group (and invested some capital in the enterprise).

The total capital of €1,757,000 in May 2014 is liberated in shares of one euro each. Voting power is related to the capital owned in the organization at the general assembly of associates but financial mechanisms have been adopted (and included in the bylaws) in order to guarantee the pursue of the mission, to avoid short-term decisions and facilitate long term decision and investment if needed. Paid workers can buy some shares of the society.

More generally, to warrantee the pursuit of the social mission, while collective private funds, the group has adopted a lot of safeguards.

First, the voting power is shared between associates in order to give the power to the historical association to impede a project or a decision if it does not fit or if it endeavors the social mission of the organization. Knowing that the association owns 40% of the capital of the S.A.S. Optima and since decisions need to be adopted by a majority

of 2/3 of the votes, the association has the power to warrantee the preservation of the social mission. It means that a project, to be adopted, needs to be approved by the association, otherwise the majority of 2/3 will not be reached.

Second, the group has fixed a lot of limits and conditions included in the legal statutes of the organization in terms of dividends and alienability of the capital shares. The society has nominated a "censor", to verify that the development of the holding is always linked to the pursuit of the social mission and to check if the development of the enterprises of the group is still in conformity with the rules and principles of the social and solidarity economy. The censor is the association La Varappe Développement.

Third, the members have elaborated a charter to be signed by all the associates or investors within the group.

Moreover, each enterprise from the group is also labeled by Afaq-Afnor for WISE and the recent law may also be seen as a safeguard, since there will be a new label or certificate (ESUS, solidarity enterprises with a social utility).

Transparency, accountability and trust are important dimensions for the holding along with the preservation of its social mission.

Moreover, La Varappe is well concerned about its impact. From this perspective, it has elaborated a number of impact indicators to measure its economic impact, social impact, environmental impact and the quality of its governance.

Their indicators include:

- The number of salaries (number and FTE);
- The employability rate: to fulfill one FTE, how many temporary workers are needed (interim);

- The number of “positive exits” to employment or training;
- The degree of “distance” from employment of the workers in integration (what are their exclusion factors; a person is considered far from employment once they have at least 3 major weaknesses (such as no qualification, alcoholism, former prisoner);
- The number of sustainable development actions per year;
- Monitoring indicators of good governance (for instance: how many supervisory boards per year? what is the participative rate at these meetings?);
- Monitoring the satisfaction level of employees through a survey (imposed by the certificate).

Services or activities of La Varappe

Three main activities are developed at La Varappe: integration temporary work (Eureka interim), green spaces maintenance and waste management (LVD environment, energy (mainly recycling industrial containers and transforming them into offices or housing, LVD energy). Attached to the holding, there is also a collective interest cooperative called Provence Découverte with the aim to sell local products and promote local craftsmen. The holding is also a founding member of Medinscop, an employment and activity cooperative (CAE) created in 2016 and aimed at securing activity and enterprise creation and development and creating jobs.

La Varappe has adapted its sector fields to the evolution of the markets and to the need of the territory where it is located. It has chosen to stop its activities in the construction industry, which was slowing down to launch a completely new activity: the recycling of maritime containers into transition housing and offices.

A second evolution of its activities (for now under conception) is the attempts to attract more women to join La

Varappe. The productive activities organized by the group are seen to prioritize men. However, there are some activities that do not need a lot of physical power and could be attractive for women. This concern is shared by local authorities, therefore La Varappe will launch a new work integration “building site” for administrative and secretary activities that will function as a service plate-form for all the associations from the area.

Thirdly, La Varappe has organized “local distribution channels” to reduce the length of the integration trajectory followed by workers. La Varappe organizes permanence within social action centers to identify people who come to the center for their children but who do not work nor train. If interested in La Varappe, representatives of the group suggest them to contact the employment public service directly and to start the recruitment process. This helps to motivate these people who thought that it was very hard to find a job, it reduces the number of intermediaries one needs to meet in order to get a job into a WISE and eases the process.

Financial resources

The budget of the organization is composed by 85 to 90% of sales of goods and services and by 10 to 15% of public funds (for work integration mission).

The capital of the organization comes from individual persons who possess shares from the group and from moral persons (solidarity funds).

Human resources

There are no volunteers at La Varappe except within the governance structure of the organization.

Altogether, La Varappe employed 361 FTEs in 2014. Paid workers fall into two categories: the permanent employees of the organization and the workers in integration. In 2014, there were 86 employees (59 FTE) and more than 2,000 workers in integration who count for 302 FTEs. The number of workers is rather stable, although there are some differences between the activities developed. Administrative functions have been suppressed in 2014 (there are now fewer secretaries or manager assistants) but no reduction concerned work integration positions (such as supervisors for instance).

There is a clear task division and structuration within the organization. Strategic decisions are taken by the general director and by the board of directors. Operational directors manage operational decisions.

Human resources management is an important issue for this organization, in particular as far as workers in integration are concerned.

La Varappe has adopted rather classical management tools in terms of recruitment, training and evaluation as far as the permanent staff is concerned. Recruitment of workers in integration and performance evaluation processes

fulfills the requirements put in place by the public authorities (mainly the State and the employment public service). For workers in integration, the “fiche de poste” includes elements of:

- **Do** (technical realization)
- **Make somebody do** (supervision of workers)
- **Learn to behave** (to transmit what is the right behavior at work, life skills)
- **Learn to do** (to transmit technical skills)

Note that the organization has two labels (ISO and Afaq-Afnor for WISEs) that also partly determine the choice of the human resources management tools (such as the recruitment process, evaluation process or satisfaction surveys etc.). The HR responsible for workers in integration meets the responsible of all the enterprises of the group every week to discuss the entry of new workers, the leave of others, how to deal with some deviant behavior if any, what the training needs are, etc.

La Varappe has however been creative in the elaboration of a specific evaluation tool around ten years ago (called FQRF *fiabilité, qualification, rapidité, flexibilité*) in order to measure the progress of workers on “savoir-faire” criteria (e.g.: to be on time, assiduity). Twice this year it has also experimented with organizing a meeting between different groups of workers: the ones that have spent some time with La Varappe and are now

on the labor market and those who are currently in an integration process at La Varappe. This exchange of experience seems to be useful and motivating for workers in integration. It was a successful experimentation.

However, human resources management of workers in integration is mainly concentrated at the individual level. Support is individualized, and an individual project is decided with each worker to be adapted to his needs.

In addition, La Varappe has produced a short movie on what La Varappe is and why workers have ended up there. The organization has started a specific training on how integration is conceived at La Varappe for the permanent workers in 2016. This training session is considered a useful reminder for workers who are in the group for long and will help to transfer the values of the organization to the recently hired workers.

DISCUSSION AND IDENTIFICATION OF THE ORGANIZATION'S STRATEGY

La Varappe is an interesting example of an association that changed its legal form and its size in order to face the evolutions of its institutional and economic environment. The organization's strategy is characterized by three main dimensions.

The first dimension is a growth and development strategy. La Varappe decided to expand and change its scale to survive in a more competitive environment and to access capital to invest in innovative projects. As described in this case study, La Varappe expanded its production and work integration activities, its financial resources and its intervention territory. The success of this growth strategy, as explained above, comes from the fact that the organization always tries to keep coherence between its economic project, its social mission and its territorial anchorage.

This last point leads us to the second dimension of the organization's strategy, its network and partnership strategy with the whole ecosystem. Indeed, La Varappe has been heavily involved in networks in relation within their activity field but also in general networks

such as the MOUVES (movement of social entrepreneurs), the largest employers' association (MEDEF) and a business club. The group is also a member of industry federations to which their activities are related and of the national federation of WISE's. La Varappe also invested deeply in building relations with the whole ecosystem of the territory where it is located. From this perspective, La Varappe has signed several partnerships with local public authorities and enterprises. Note however that, although La Varappe is strongly linked to the local "ecosystem", it has never lost its independency from political parties or interests.

In relation with their territorial anchorage, La Varappe has tried to reveal and meet new needs from the beginning, in strong interaction with the needs of the territory and of the local enterprises. Innovation is therefore the third crucial dimension of the organization's strategy. As stated by the member of the supervision committee, "innovation is part of our genes". Their permanent attention to innovation at the economic technological and social levels is central for the organization. Within La Varappe

they have created an innovation incubator aimed at inventing and testing the prospective organizational model. According to the general director, “a social enterprise has to be an enterprise that innovates”. It is important to reveal emerging tendencies or changes in society and to be able to propose responses to these new problems of challenges.

Although La Varappe has proved to be resilient and innovative, it has had to face up to important barriers and challenges. The gap between the enterprise world and the administrative world has been pointed out as an important barrier. The enterprise has to react quickly, to constantly adapt to the evolution of the market. The enterprise is always on the move. By contrast, the administrative world is slow. Its aim is to put people into categories, into boxes, to follow processes. The increasing administrative burden does not ease their work at all and slows down the work of the integration process. They try to overcome it by creating personal relations with the administrative agents to accelerate the recruitment process for instance. But these relationships have to be rebuilt once the person changes at this position.

According to the persons interviewed, the main risks are to be destroyed by the financial and political machine and to lose the sense of their social involvement, of what “we want to do together”.

Last but not least, the whole organization owes a lot to the personality of

the general director who is considered by one interviewee to be a “true entrepreneur”, “with more than one idea per minute”, who has taken important risks and who does not remain in “comfort zones”, who is always one step ahead. He describes himself as a “constructive rebel”. He succeeded in mobilizing expertise and never lost his willingness and capacity to move and to innovate. While the director is a central player, he could not reach such achievement alone. Success comes also from his team, who took the risks with him and from the involvement of the governance bodies.

La Varappe has a clear objective to grow and to expand. They want to be “number one” and to become well known. To do so, they plan to double in size in the next 10 years while still serving their social mission and involvement. They also plan to deepen strategic alliances with private companies. However, the growth strategy is both a power and a threat for the organization. To grow is one way to benefit from scale economies and synergies while it leads to the suspicion of some actors who consider that you cannot have such a growth trend while pursuing the social project. Moreover, to be big raises a lot of questions and challenges: among others, how to enlarge the territory while not losing the commitment to their original location. How to keep the coherence of the group when you are implanted in many regions and sites? The challenge is to build relationships with several territories.

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GUREAK

ABSTRACT

With close to five thousand workers, most of them intellectually disabled individuals, the Basque Gureak is currently one of the largest social enterprise groups that seeks the socio-occupational placement of disabled people in Spain. Atzegi, an association of families of people with intellectual disabilities, founded it 40 years ago and retains a central role in the development of this group. Two successful key ideas are based in the core of this social enterprise group: first, people with disabilities

have a major way of social integration in the work space, and second, companies with workers with disabilities can produce quality products professionally and compete with other businesses. To make this dream come true, a strategy based in building social image and economic credibility, highly linked to the regional and national association fabric of the disabled representative entities, in professionalisation, diversification of activities has been deployed.

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Gureak: how social enterprises can compete with businesses through people with disabilities

Gureak is currently one of the main social enterprise groups that seeks the socio-occupational placement of people with disabilities in Spain. Gureak works throughout the province of Gipuzkoa (the Basque Country), and employed 4,946 people in 2015, of whom 85% were diagnosed with a disability degree of over 33%. Of these, 63% presented an intellectual disability or a mental disability

The promoter of this group is the Guipuzcoana families Association ATZEGI, which supports intellectually disabled people and is a Basque Social Third Sector organisation, which has characterized the group's main strategy since 1975. At the time, it was created as a protected industrial workshop. Previously this association created four other workshops. While they existed, these

protected workshops were true social innovations of the Basque civil society, and coeval to incipient Italian social cooperatives. In the Basque Country, however, they adopted the legal form of a foundation and non-profit PLC which is the case of Gureak.

Two stages in Gureak's history stand out. The first is the experimentation and social innovation with emerging protected workshops. These initial experiences took place during work-intensive economic activities, such as industrial subcontracting, and in the traditional industrial specialisation context of this region in northern Spain. Families, which formed a part of the disability association movement and people with a lot of social vocation, promoted these first initiatives. In the beginning, financing was precarious: between 1978 and

1980, 10-30% of income was 'atypical income', such as lotteries and raffles, genuine 'Spanish fundraising'.

The LISMI, the 1982 Law of Integrating the Disabled, changed this period and emerged as one of the first Spanish well-being laws. This important law recognised, among other measures, different job placement itineraries (job centres, special job centres), as well as public aid. The Gureak Group was a beneficiary of this new institutional setting. Nonetheless, its challenge was not to depend on public funding but to act as a competitive company on the market. It achieved this and has not stopped growing and developing ever since.

The Gureak Group is a group of market-oriented social enterprises: 79.1% of its income comes from its sales, 7.5% comes from Social Security bonuses for protected work, and the rest comes mainly from regional and local government subsidies. It receives EU funding, which represents less than 2% of the overall income. In absolute terms, the Gureak Group obtains 38.6 million Euros from public funds. This financial income structure has been maintained throughout the recent economic crisis, and public subsidies have remained quite stable (Memoria Gureak 2015).

Its business history has seen two diversification processes: one with economic-production activities, and another with assisted groups that have a job placement object.

Economic-production diversification has been carried out by performing work-intensive activities through which job opportunities have been obtained. The first and main one is industrial, which remains the group's economic driver (2,733 of the 4,946 jobs in all) in the automotive, renewable energy, elevation, electrical devices and minidomestic sectors. GUREAK's industrial division now

has five companies and more than 20 production plants with five technology areas, plus their corresponding technical and R&D&I departments. They are competitive and export companies.

Its activity diversified towards services in the 1990s. It created the subsidiary company Gureak Marketing which worked on direct advertising and promotional marketing with almost 700 workers distributed in 16 work centres. It created new subsidiary companies in areas such as garden maintenance, building and installations maintenance, catering services for groups and catering for events, cleaning and industrial laundry, welfare services, managing petrol stations, and catering management. It extended its range of services to the welfare field with day centres and homes for the disabled and the elderly. More recently it diversified towards the active employment management area in collaboration with the provincial Kutxa savings bank and with the Gureak Inklusioa Foundation to supply comprehensive job placement services for people who find it difficult to enter the labour market.

Today Gureak's organisation chart shows four areas: industry, services, marketing and itinerary. The group includes a framework of trading companies, owned or invested in by Gureak, and foundations which the group collaborates in management.

The group's economic growth has not stopped, despite the recent economic crisis. Its turnover has gone from sales that accounted for 76.9 million Euros in 2010 to 104.6 million Euros in 2013 and 155.35 million Euros in 2015.

Gureak's second form of diversification lies in the social groups it supports. Although it started with and prioritised people with intellectual disability, it has progressively extended its beneficia-

ries to include other disabilities (physical, sensorial and mental disability), and more recently to collaborate with public institutions to include vulnerable groups and those at risk of social exclusion.

GUREAK's personnel has never stopped growing since it started, not even during the recent economic crisis in Spain. Its employees increased from 4,056 in 2010 to 4,300 in 2013 and reached 4,946 in 2015. The percentages of workers regarding disability types have remained

relatively stable, and people with intellectual disability and mental disability have predominated. Of its personnel, 15% present no disability and concentrate on the professionalization of the social enterprise group.

This development has also taken place with territorial implementation. A regional network of work centres has been created to make it easier to access the work centre for people with disabilities throughout the province of Gipuzkoa.

Multi-stakeholder governance: an association of families of people with disabilities in the core of the Gureak social enterprises cluster

Talleres Protegidos Gureak S.A. is the main company of this social enterprise group and the founder association ATZEGI initially possessed 78% of its capital. Although its participation declined as other public and private organisations entered that were interested in promoting job placements for the disabled, it remained the main stakeholder with 32% of the shares.

Nowadays, they are shareholders of the parent company Gureak public institutions, such as the Foral Gipuzkoa Council

Offices and the Donostia-San Sebastián City Council with 24% between both. The Kutxa Foundation and the Fundosa Group (now called Ilunion, the largest national enterprise group for disability) possess 20% each, with 4% for minority partners. The ATZEGI association, the de facto head of the group, has 2,102 families as partners who have a family member with an intellectual disability, 2,642 collaborative partners with set donations, and 9,632 volunteers and civic collaborators.

Mission, activities and impact of Gureak

The Gureak group's objective is the complete social integration of people with disabilities through job placements mainly for the intellectually disabled in Gipuzkoa. This broad objective has been operationalised by developing many methodologies and putting job placement and protected work itineraries into practice that range from work centres to special job centres and

ordinary job placement. Nonetheless, as socio-occupational placements for the disabled contemplate multidimensional objectives, the previous objective (job placements) is another and the main, strategic areas where the ATZEGI Association and the Basque disability solid association movement act. There are other areas of action, such as social housing, entertainment and free

time and support for families with disabilities. For each one, a framework of instrumental organisations has been built. The social objective of all these organisations, promoted by the association's framework, is zealously preserved before any other economic (profit) objective. The alliances and joint participation that have been devised with time and have always taken place through organisations with similar objectives (public organisations in charge of supporting this social group, other Social Third Sector organisations) to maintain their vision.

During its history, the Gureak group has never stopped growing without increasing the funds from the Foral Gipuzkoa Council Offices' social services excessively, thanks to the group's capacity to increase business figures, sales, self-financing levels and profitability in most centres and services. All this allowed a policy to develop that is closely linked to promotional employment programmes for the disabled supplied by LANBIDE (LANBIDE, the Basque Employment Institute), which finances a substantial number of the job-creation actions designed in Gureak.



Key factors of Gureak's resilience strategy

The key factors identified in the Resilience Strategy of this case are:

1. Civic engagement and specific population-orientation

Gureak is a group that was created and developed by and for a Basque civil society group: families and people with a disability. The promoter organisation of Gureak, ATZEGI, is a non-profit organisation that defends and represents the multidimensional interests and needs of

the disabled in the region. Claiming the right of the disabled to work has become its leitmotif as it considers that work is the main factor of social integration. It acts as a specialised go-between that links the person with a disability seeking to work to the labour market. This essence of the association is one of the key factors of its successful history as it provides a clear idea about the services that need to be covered and the fields in which to act in a specialised manner.

A second key to the group's success was to develop its social image and its credibility to obtain support from civil society, companies and public powers. It has had to gain credibility from client firms by demonstrating that companies with workers with disabilities can produce quality products professionally. Developing a good social image has been achieved by conferring visibility and awareness of the generated socio-economic impact, and public aid is justified by the produced social return. Promoting diffusion and social sensitivity has been fundamental. The group has also been a pioneer in Spain in using instruments (such as its own reports) that diffuse this group's impact to society with the publication of their social impact report. This report applies the SROI methodology.

2. Public – Private - Partnership

Another of the key strategies that GUREAK has adopted is to set up a framework of alliances with public and private agents.

In the private area, the group is closely linked to the association's fabric of the disabled and their regional and national representative entities. It is one of the EHLABE members, the Basque federation of companies-special job centres and the national CERMI disabled platform. Through these platforms, Gureak participates in the national Third Sector and Social Economy platforms: the PTS –Third Sector Platform and CEPES, the Spanish Social Economy Umbrella. It also has alliances of a different kind depending on operating segments, and also with associations and organisations such as Gautena, Aspace, Fundación Uliazpi and the Gipuzkoa Savings Bank (Kutxa).

An example of this last form of cooperation is the external job placement programme of the organisation, called Kutxa Zeharo, which comprises four of-

fices distributed all over Gipuzkoa that manage ordinary employment beyond the GUREAK business setting and favours the job placements of people at risk of social exclusion. Gureak itinerary also intermediates job placements for people with intellectual disabilities, this programme responds, on the one hand, to company requirements by covering vacant posts and also helping them to fulfil the law, which states that jobs have to be offered to people with some disability and, on the other hand, the programme responds to the occupational requirements of the disabled.

Another success factor has been its partnership with regional public powers, which has become a key factor to develop and implement the social policy in Gipuzkoa by operationalising a stable private non-profit management relation with public employment services. Such collaboration with the public sector allows it to undertake its activity beyond its own factories by acting as an intermediary in the definitive integration of people with disabilities and those at risk of social exclusion. It collaborates with different public authorities with competences to devise occupational training plans, programmes to improve employment and several courses given as part of what is known as "continuous training", etc. Many of these actions are subscribed to programmes financed with public funds locally, nationally and elsewhere in Europe. Gureak has been officially approved as a collaborating guidance centre of the Basque Employment Service, Lanbide, through the EHLABE Association, of which Gureak is a member. The Occupational Service is a social service that uses jobs to help people with disabilities to socially and personally develop. It is a social service of the Foral Gipuzkoa Council Offices that manages and carries out Gureak. This service is fully financed by the Foral Gipuzkoa Council Offices through an agreement with Gureak.

3. Professionalisation, diversification, marketing, but basically 'social'

Another key aspect that has granted the development and resilience of this social enterprise as a Third Sector/Social Economy organisation is the adoption of a strategy based on the business and non-aided character of this project. As such, it has sought competitiveness, diversification and professionalisation among its management teams and intermediate groups. The business culture, thanks to which Gureak has included government organizations and people unrelated to disabilities and social services, has enabled professionalised market-oriented management with rigorous production processes.

As mentioned earlier, Gureak has followed various forms of economic-pro-

ductive diversification and has specialised in serving unfavoured social groups. It has also followed a pattern of growth that has allowed its implementation throughout the region.

Extending business in new activities has been done with R&D programmes in an attempt to find intensive unqualified labour activities. This has extended employment and occupation levels. Having detected suitable activities, new companies have been created as subsidiary companies, most with limited responsibilities, since Talleres Protegidos Gureak S.A. is the parent company. In this way it has specialised in a given domain which has allowed all the companies to grow in their given market by contributing to the employment needed to meet the demand.

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SALUS

EMBRACING A BUSINESS MODEL

“We think of ourselves as an orthodox business...I can’t think of a long term successful business that doesn’t embed its values in those organizations (sic)...if you take investment banks...profit is their motivating factor and that value is throughout the organizations. Ours just happens to be...supporting vulnerable children, young people and their families. So the value changes but the way it’s ingrained in the organization doesn’t.” – Director, Salus

ABSTRACT

Salus was founded in 2011 as a community interest company without charitable status. It primarily delivers support to children, young people and families experiencing difficulties at school. Financing for this work comes largely from public bodies such as schools and colleges, and the main hurdle the organization faces is competition for contracts. Salus has embraced a business-oriented approach which permeates through the organization and has helped it to operate successfully.

It has consciously sought to operate as a “player” in very demanding and competitive commissioning contexts and positioned itself as a “premium brand” in these situations. This has meant ensuring that “quality” is always present within its portfolio of projects by only taking on services where both “high caliber” professionals were available and where it would be able to provide evidence of impact by including an evaluative element.

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SALUS – A RESPONSE TO AUSTERITY

History

The driving force behind the foundation of Salus was both financial and political. An initiative of Kent County Council (KCC) called Kent Safe Schools was primarily supporting children who were experiencing difficulties at school. It became increasingly clear that the climate of austerity and associated agenda of extensive cuts to local authority budgets would mean that the part of the Kent Safe Schools initiative that focused on non-statutory work (that is, work not a legal responsibility) with children and families was unlikely to survive. The head of

the initiative at the time was keen to look at alternative ways to ensure the future of what they perceived to be successful and much needed services for this group. This led to them making an approach to another senior manager previously involved with the service about jointly taking it out of the local authority control. After discussions with KCC members (local politicians) which confirmed the services were at risk, the best response was seen to be the foundation of an independent agency to continue offering many of the Kent Safe Schools in-house

projects. Salus was founded in 2011. That this was possible was partly due to a window of opportunity which may not have occurred at any other time. As one of the Directors indicated,

"I'm not sure if we'd done it before or if we'd done it since, we would have

managed it, but at the time for the Conservative authority, an employee spin-off at a time when they're trying to show savings worked very well for both parties."

Legal and organizational form

Salus is a community interest company (CIC), without charitable status. CICs are more lightly regulated than charities

and can be arranged around any purpose as long as their activities are carried out for the public benefit.

Organization and governance

As a non-charitable CIC, Salus does not have a board of Trustees; all decision-making power is formally invested in its partners as Directors, between whom there is a clear division of labor and expertise. One possesses a strong

background in financial management and business planning, while the other's competences and skills have been built through experience as a caring professional, operating across a range of welfare fields and situations.

Services and activities

The Salus website (www.salusgroup.org.uk) emphasizes its track record in providing "high impact, high quality services" and indicates that "through delivery of a huge range of innovative and evidence based services we are able to support the improvement of social skills, educational achievement, emotional health and well-being and long term outcomes for children, young people and their families."

Currently the geographical area and client group focus still reflect its local

government and specialist service origins, most of its core activity involves services delivered within the county of Kent to local public bodies meeting the needs of children and young people. These could be situated within ICNPO group four, social services, but linked to educational and mental health needs, groups two and three, and training and legal services, parts of groups six and seven. Table 1. highlights some of the areas where Salus provides support.

Support for children and young people	Support for families
Anti-bullying	Autistic spectrum disorders
Autistic spectrum disorders	Family intervention program
Domestic abuse	Parents Emotional First Aid
E-safety	Resilience mentors
Emotional well-being and social development	
Nurture-reducing exclusions	
Peer mentoring	
Resilience mentors	
Restorative justice	
Safety	
School drugs education	
Work-based learning	
Young restorative practitioners	
Youth service	

Table 1. Salus: the service areas

Finances

Initially a three year contract was negotiated with a phased reduction in funding directly from KCC. Salus now secures finance through a series of contracts with individual schools and colleges. A second significant change has been the development of additional commissioned services, restorative justice initiatives and “troubled families” contract are examples of this. There has also been modest diversifi-

cation beyond KCC boundaries, locally and nationally.

According to the latest Report and Financial Statement during 2013/14 Salus had a total income of £1.16m (€1.6m), essentially earned through public service delivery contracts, with steady financial growth in evidence over three years. Salus does not currently fundraise or apply for grants.

Human resources/personnel

The partners persuaded staff who had previously delivered services provided by Kent Safe Schools to transfer to Salus, with a continuation of their pay and conditions ensured by the Transfer of Undertakings (Protection of Employment) regulations, part of UK labor law which protects employees whose busi-

ness is transferred to another business. This applied to 23 staff from KCC and two volunteers. As it has grown and diversified, personnel has increased to a current total of 84 paid employees and 47 volunteer positions. The volunteers mainly work in the restorative justice service.

ENSURING RESILIENCE IN CHANGING TIMES – STRATEGY AND ACTIONS

The main hurdles that Salus faces are competition for contracts and the continuing financial climate of austerity,

and there is a belief that as an organization they have to grow to fulfill their mission and ambitions.

Skills of the leaders

Since operating independently from the local authority, the organization has actively had to defend and build upon its previous work and reputation. To ensure its financial development it has needed to make difficult decisions concerning how to position itself which extend beyond making a case for its interventions in existing commissioning contexts (responsive bid writing and ensuring implementation when bids for contracts are successful). In the months following its launch, KCC indicated that it intended to pull out of the agreed phased grant support designed for a transitional period of three years. This decision was due to changes of personnel within KCC management who had not been involved with the initial negotiation and also likely a result of the increasingly bleak financial outlook for local government, as funding from the central government funding was cut. It was only the Salus's willingness to take

legal action to contest this, a costly and challenging move, which eventually led to KCC accepting that it was not at liberty to withdraw support. Having made this robust challenge to local government, Salus quickly reverted to "business as usual" in terms of working closely with KCC on developing and delivering services. The diplomatic and social skills of the directors, strengthened by a deep understanding of how KCC functions (as a result of years of insider knowledge and experience) have successfully ensured this moment of confrontation has not damaged this key relationship for them in the longer term.

"It was only ever to secure funding back into Salus, because actually making an enemy of KCC when you're a Kent based organization is the last thing you want to do."

Straddling the old and the new

Salus inherited its core portfolio of activities from the public sector. It still refers to this part of its history, acknowledging its origins as linked to Kent Safe Schools in its publicity material, referring to its track record of service delivery as unfolding over a timeframe which incorporates its Directors' time working in this field inside KCC. At one level, this

is simply a statement of fact and information, but it can also be considered a deliberate act of 'positioning' in a field of service where users are obviously vulnerable, and signals of repute and trustworthiness are needed. By referring to this longer term trajectory, it may reassure public sector purchasers that, while it operates as a relatively new so-

cial enterprise, it does so by building on established and secure professional foundations. It may be helpful to draw on appropriate metaphors of organization (Burrell and Morgan, 1979) to better understand how its image is actively sustained in more depth. Referring back to its track record and origins may be a helpful starting point, but it is clear that the organization does not just rely on passive claims about its past to secure and develop its position; furthermore, it now functions as an independent social enterprise operating across a range of quasi-markets (markets involving pub-

licly funded bodies as purchasers) rather than as part of the public sector, so this aspect of its identity needs to be incorporated into the ways in which it represents itself as well.

“They have the security of knowing, you’re tangible, I know you, you used to be part of the local authority... yet we have the independence and autonomy of being something separate, and we use either way to our advantage. So we do manipulate that relationship to suit what we’re trying to market.”

Professionalism and staff

Salus has successfully developed and projected awareness of its identity as a professional and efficient service provider by concentrating on different dimensions of professionalism. One is in terms of staffing. Through its initial transfer from the public sector, then subsequently through a highly focused and deliberate recruitment and training strategy, it has developed a strong welfare professional orientation. Their backgrounds, experience, and subse-

quent internal professional development are flagged as equipping them to respond with skill and effectiveness when providing services and support to both beneficiaries and the professionals who work with them (including teachers but others too). The aspiration to pursue “high impact, high quality services” is meant to be embodied in the values and professional ethics of these employees (as well as the Directors).

Professionalism and evidence

Efficient professionalism is communicated by ensuring that the services provided are evidence based. When located within local government as the Kent Safe Schools initiative, it was decided to incorporate a rigorous evaluative process as a fundamental part of its way of working. As part of a Knowledge Transfer Partnership with one of the local universities, a template to capture the social and economic impact of services was developed. This template followed a process and outcome evaluation approach and included a descrip-

tion of the nature of the project, aims, target group, expected outputs and outcomes, skills, knowledge and experience of the team and what existed prior to the project. It captured what was delivered and to whom, how many beneficiaries and how many hours of service delivered. It measured outcomes for individuals using existing measures such as questionnaires, dependent on the type of program evaluated. Project costs were gathered, cost of the intervention per person estimated and a judgment made about cost savings

based on information about comparable services.

As a result Salus can plausibly claim where service interventions are associated with productive outcomes for beneficiaries (gains in well-being in terms of heightened awareness of and responsiveness to problems, self-esteem and confidence, and constructive changes in attitudes, for example). In this way, demonstrating welfare gains, preventative intervention and cost savings has been successfully promoted by Salus as essential to its core projects. In some cases, the outcomes upon which it focuses have coincided with the preferred performance indicators of funders – as with the “troubled families” work – but as a matter of principle, there is always a default assumption that an evaluation component will be built into its services, even if not required at the onset by external stakeholders.

“This set of evaluation frameworks always forms a large part of our sales pitch...its actually proved very fruitful because the one things most of our competitors can’t do is prove the value of their service.”

“We’re one of the few organizations that can evidence the impact of our work in a way that stands up to scrutiny...in terms of feedback we’ve had for bids that we’ve given, that has been one of the most definitive characteristics of our work that’s led to us receiving the funding.”

When Salus was founded as an independent third sector organization, it

inherited many advantages from its origins within local government. Not only was it constituted there to meet significant social needs in relation to local children and families, but it was doing so demonstrably in an efficient and responsive way because of the integration of an evaluative component within it. This obviously led it to be able to make credible claims in the quasi-market contexts in which it has had to subsequently operate that it should be funded and supported. The fiscal austerity situation, experienced locally in relation to children’s services, has in one sense been a threat for the obvious reason that it has restricted the size of public budgets in this field. However, Salus has sought to turn this to its advantage, arguing that precisely because of resource scarcity, it has been more important than ever to finance interventions which can evidence both their social impact and added economic value.

A relevant financial commitment made by Salus, which has been important in developing its position, has been the decision to seek to include an evaluative component, as it has diversified into new areas of service within KCC and beyond. For some areas of work, such as the “troubled families” program, this meshes well with the performance indicators required by commissioners and central government, so it has been an obvious step to take. But significantly, even if this is not been a requirement of commissioners, Salus has chosen to adopt this approach voluntarily.

Embracing the language and concepts of business and marketing

Salus has embraced the language and concepts of business and marketing,

seeing itself internally and projecting its image externally as a “brand” oriented



social enterprise. Accordingly a considerable amount of effort and energy is invested by its leadership in ensuring relevant stakeholders are aware that its services not only involve high quality in terms of professional commitment, but also can be seen as a high quality product in the many quasi-market situations where it engages with public sector purchasers. This commercially oriented aspect of its identity is closely bound up with how it manages financial resources.

“We see ourselves as a business. We don’t see ourselves as a charity. We are a business that aims to be social in its product, in its outcomes, but we are fundamentally a business and we take a lot of those business ideas that you’ll see at those other big successful corporations and build them into our business model, because we believe by doing that we can help more young people.”

Respect for professional integrity and flexibility

As one of the Directors indicated, “employee buy-in is massive for us”. In the strategic field approach (see Introduction), the motivation and capabilities of individual as well as collective actors are understood to be a joint product of

both the material rewards made available, and the availability of cultural or symbolic resources which support identity and confer meaning on those involved. Social skills and a capacity to empathize with others are regarded as

fundamental to effective organizing. In the case of Salus's paid staff, with regard to the latter, it is the opportunities to express commitments and enact values associated with their identities as caring professionals which seems most fundamental. If acting professionally is taken to mean being systematic and rigorous in identifying problems and needs, while using professional skill and judgment to tailor service responses to situations and circumstances at the level of the individual user, then there are aspects of Salus's working practices that resonate with this.

Salus's policies seek to ensure that its front-line professionals have the discretion to work with clients in a flexible way. This is both in terms of striking a sensible balance between work directly supporting clients and the 'back office' paperwork and administration roles, and in terms of the distribution of time between different beneficiaries, according to their needs. It is worth noting here that most of Salus's staff (not just the initial transfer cohort, but newer recruits too) have spent most of their professional lives working as public sector employees. Many have moved to Salus having experienced their former workplaces as frustrating, involving excessive bureaucracy, with too much time required away from direct interaction with users, and not enough scope for deciding how to allocate their time across individuals and families. A key strength of Salus is that it has deliberately engineered its employment policies to minimize these problems, and hence allow its workforce to act more readily in line with their values as caring professionals. This is bolstered by a strong internal professional development program.

"Basically there's less time doing paperwork and more time with families when they work with us."

Second, respect for professional integrity is deliberately fostered in intra-organizational relationships too. Despite the formal concentration of power in the Director's hands – with no countervailing institution to filter and authorize decisions (that is, no equivalent to the board of trustees in a charity, or a council of elected members in local government) – the organization has been successful in ensuring that other arenas function reasonably well to allow for communication, the expression of paid staff priorities, and to ensure decisions are seen as informed and legitimate. Indeed, the Directors pride themselves on "clearly being leaders...the buck stops here" whilst having a consultative style: they believe strongly that their approach has fostered loyalty, commitment, and a willingness to be lead. There is also a keen awareness that the collective institutional arrangements set in place for representation and feedback need to continually demonstrate their added value in addressing practical problems.

Stable formal arrangements allowing a strong management team to support the Directors are in place, but formulaic approaches for working with the broader staff body are avoided. For example, written consultations are relatively rare, but carefully planned meetings for all professional staff involving problem and issue focused workshops are seen as important for internal policy and practice development. At the same time, both are aware of the power of symbolic action in shaping perceptions. For example, the financially-oriented Director makes a point of allocating significant amount of time to individually visit front line staff on projects not only to learn, but to pre-empt any impression of remoteness, and also to help foster the sense that front-line staff's professional commitment has been witnessed by and is valued at the highest level.

Strategies for remuneration

“Our staffing costs are high and we weren’t going to be able to give pay rises...because if you give someone a pay rise you have to give it the next year and next....but if you give a bonus, actually it’s a one-off payment and if the company’s not performing the next year, you don’t have to give a bonus and you haven’t increased your staffing costs....a practical way of rewarding people without....bankrupting the company.”

Turning to the material rewards for paid employment, remuneration has been carefully considered and finding the correct level was a balancing act. One Salus director pointed out that many of its workforce had been willing to accept lower wages than they had received when working as public sector employees (for example, as teachers or social workers) because the non-material characteristics of the organization compensated them in other ways – a form of voluntary salary sacrifice. On the other hand, the other Director emphasized how there were a range of pressures on employment costs that the organization had to bear pulling rewards upwards. One was the need to

accommodate significant pension and other non-wage costs. For the original cohort of transferred workers protecting these terms and conditions was legally mandated (TUPE), but employees moving over from the public sector subsequently also had expectations not to be seriously disadvantaged in terms of pensions. This director also believed that offering remuneration rates which would be seen as competitive by local standards was necessary to compete on quality and as part of brand positioning.

The net outcome of these downwards and upwards pressures has been that while Salus pays its employees “far more” than what was believed to be the norm for comparable roles in local traditional charitable voluntary organizations, the total employment costs per capita were less than those associated with public sector equivalents. In addition, the organization has shared risk with its employees by eschewing the adoption of local authority pay scales and grading system entitlements, using a bonus system linked to Salus’s financial performance.

In summary - conditions for service development

“We try to offer a better service than anybody else does. So we try to offer better communication to our commissioners. We try and offer a better experience for our users, and we try and offer better evaluations. So every aspect of what we do, we aim to be better than our competitors because we know we have to be because our costs are higher.”

Incorporating additional costs for evaluation in its proposals could result in Salus

pricing itself out of the market. However, if this were to occur it would not be seen as problematic from by Salus as it would suggest that the project concerned was not appropriate for it to undertake. The reason for this is linked to the significance attached by Salus’s Directors to ensuring the integrity of its organizational image. Clearly, incorporating evaluation fits with its emphasis on professionalism, which links to the idea of not being willing to undertake activities where resources are not made

available to demonstrate the achievement of social impact. It also ties in with its identity as a “brand oriented social enterprise”, consciously seeking to operate as a “player” in very demanding and competitive commissioning contexts. The Directors stressed that Salus had deliberately positioned itself as a “premium brand” in these situations. This has meant ensuring that “quality” is always present within its portfolio of projects through only taking on services where both “high caliber” professionals were available and where it would be

able to evidence impact by including an evaluative element. This strict insistence on only developing services if these conditions were met might mean that some opportunities for development and expansion were foregone in the short run. However, the view from Salus was that it would ultimately be beneficial because in the long run, Salus’s image and reputation would be preserved and its focus would be consistently maintained and strengthened.

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LAUBA

HYBRID ENTERPRISE MAKING SUSTAINABLE IMPACT IN STATE DOMINATED FIELD OF CULTURE

History and development

In the landscape of transitional country with domination of clientelistic state organisations, in terms of funding and governance, in the field of culture, Lauba, as an association, private initiative, was established in 2011. The founder is a business person of the new generation, owner of Filip Trade Company, and art activities of the Filip Trade Collection, which up to now includes 574 works of art mainly by contemporary Croatian artists. The founder, as an open-minded and creative person, learned art collection almost by accident. The Filip Trade Collection has systematically been purchasing the works of Croatian artists of

the young and middle generation, who were finally given their exhibition space in the city of Zagreb. Lauba presented their current work but also served as a laboratory for art experiments and a place of cultural and social innovation.

Lauba is a local name with symbolic meaning from provincial city and it stands for a circular venue, probably stemming from the German word "Laub" which means "leaves". A circular alley with tree tops barely touching one another was a place for games, but also for competitions. . Lauba is now a place of experience, learning, entertain-

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ment and social interaction. Lauba is the People and Art House which produces contemporary urban cultural content. Lauba's mission has been promoted through its achievements.

Mission of Lauba is to present and help discover new forms of artistic expression by Croatian visual artists, contribute to raising public awareness about Croatian Modern and Contemporary art, and participate in international cultural trends.

Lauba started out as a local neighbourhood project, developed into a part of Zagreb's identity, but became both a nationally and regionally relevant organization. Lauba is the second privately owned museum in Zagreb. The number of people gathered around Lauba drove changes; this is where the new incentives and new projects and ideas came from. The development of Lauba was an improvised process which is largely relying on inputs from members, audience and volunteer contributions and demand for the venue from the business sector.

A central part of Lauba's identity is its building: it was constructed in 1910 as a riding arena within the military complex, and later turned into a weaving mill of a textile factory. The whole military complex is negligent and decrepit.

Due to its status as a protected cultural monument, it was reconstructed in a way that preserved its valuable historical features. Also, this project can be considered as a unique in terms of urban renewal of brownfield location. The venue is the mirror image of its contradictory functions: the compact cube is designed for the business activities of the Filip Trade Company and popular radio station Yammatt.fm, while the flexible open space has been used for various activities of the Lauba organization (exhibitions, performances, screenings, etc.). The beginning of the story of the venue as it is today is the architectural tender invited in 2007 that gave a sign to the public of the future importance of this space. The building as such has an unusual colour and catches the eye of passers-by. A café is located at the entrance area of the building and is a place of meeting, socializing, and integration.

The complete project is launched by a private company, which is of special value and uniqueness in this case, bearing in mind that private companies in Croatia are usually less socially responsible. Separately, majority of foreign companies, with real resources, are not interested in the third sector or in participating in culture projects.

This TSO was established and developed in the period of a deep economic crisis in the country and in the city marked by a decrease of GDP, the reduction of public funding for culture, a decrease of income and an increase of unemployment. Economic performance and personal preference of people in a crisis largely limited the achievements of this project.

Approaches and practices of Lauba, and similar TSOs, had a certain impact on the new strategic document of the Ministry of Culture (2013) in its policy for culture and art.



Legal and organisational form

The organisation is registered as an association, which under Croatian legislation, is a private non-profit organisation eligible to perform certain activities on a non-commercial basis. Three citizens can set-up an association with a loose organisational structure. Declaring as a public benefit organisation, it can get a privilege status being an organisation eligible to get tax free donations. Income generation of such organisations is under very discretionary opinion of tax officials, with evidence of completion with profit sector, is subject to taxation.

The association as a legal person gets its legitimacy from membership and they are responsible to create governing bodies. A steering committee and executive people are the most import-

ant players and the association is often recognised or named by the president's name. Active membership still is a weakness of Croatian civil society organisations (Bežovan/Matančević 2016). In this case, in cooperation with the association and the named company, a hybrid and resistance organisation is effectively emerging. This hybrid organisation blurring boundaries including different stakeholders and a local community in developing the organisation and coproduction of its image.

Lauba as an association does not have a strong steering committee of well-known persons what might be supportive for the organisation's development and better placement in competing in a cultural and socio-economic environment.

Organisational chart and governance structure

The concept of governance relies on participation and active contribution of a wide range of stakeholders and vested business interest of company owners. Participation is recognised as a key component for building-up pluralistic cultural policy in county (Vidović 2018). Managers listen to their needs, ideas and desires and develop resilient organisations in partnership with them. This became especially important when the big companies and networks had recognized the venue as a place to organize events, conferences, seminars, workshops, concerts, parties and the like.

The decisions inside the governance structure are made in accordance with the mission of Lauba, and all relevant stakeholders have their voice. The governance structure has been changing depending on the scope of the project,

the perception of the project in the public and the number of stakeholders involved. Lauba communicates through an e-mail network with 5,000 citizens on a regular basis.

Lauba has a recognizable leadership structure, relying partly on the organization, partly on the company and other stakeholders. The leadership style changes gradually, depending on the range of the project development. The leader is the head of the organization and the owner of the company. The head of the organization has previous experience through working in a national museum, and she has come to show a new style of entrepreneurial leadership which incorporates the practical skills of cultural management. With such entrepreneurial leadership, Lauba made impact on style of governance and op-

eration of certain state cultural institutions. They are looking for more money from the market offering their premises for different events.

In the upcoming period, there is the need to strengthen the position of Lauba as the agent of artists. Trends will

have to be built, further investments into works of art and regional positioning are needed. It is also necessary to approach a different audience, as well as to count on stronger names.

Services provided by and or activates of the TSO

Lauba's aim is to help discover new forms of artistic expression by Croatian visual artists, contribute to raising public awareness about modern and contemporary Croatian art and culture, present current cultural and art projects stemming from different cultural spheres and participate in international cultural spheres. Lauba encourages cooperation and the exchange of knowledge and exhibitions with similar institutions, organizations, initiatives and individuals in order to monitor and encourage current artistic and cultural production in Croatia through its activities, and helps with joining international trends. Through creative and interesting projects and various additional programmes, Lauba offers an encounter with the visual art and culture to the general public. It is open to visiting curatorial concepts, cultural and art projects, and they invite all interested parties to work together in line with Lauba's mission.

For more than 30,000 visitors per year Lauba is an expedition place, cinema, theatre, concert hall, lecture room, classroom, or, in one word playground for contemporary culture and an urban audience, desirous of novelties and socializing. During the five years there were 30 independent exhibitions, 25 setup works from the collection were presented to visitors, 380 creative workshops have been organised for children, 17 film screening, five publication have been produced; nine audio-visual performances and four symposium have

been performed. In the recent years, Lauba developed a successful cooperation with the Festival of Tolerance, Week of Design, Motovn film festival and European festival of short stories. Some other participatory initiatives in country with recent development created shared cultural space on the horizontal principles introducing new forms of governance (Vidović/Žuvela 2015).

The fifth birthday exhibition project, the sculptural installation "MEGA-MIX" was the most complex site specific project. The author goes one step forward by pushing boundaries and connecting paintings, sculptures and architecture.

Beside the promotion of contemporary art and culture, Lauba is well known for organising good parties for well-known company.

Since 2014 Lauba is a place for a Week of Design with the aim to promote the importance of design in society and its connection with entrepreneurs in Croatia and in the region. This event is taking place in Lauba as a central place and in several other locations in the city. The event is international and certain countries are always partner. Lectures, presentations, round tables and conferences follow the exhibition. Part of this performance is a selling exhibition of Croatian designers. Media covers this event as a very relevant part of public importance.

The stakeholders are a wide range of members, supporters, volunteers, organizations, schools, visitors-beneficiaries, business users. Through the expansion of the scope of Lauba's programme and provision of a new type of service, the structure of the stakeholders changes. The role of stakeholders varies depending on their partnership with Lauba, and project partnerships with different companies create future connections with their leadership and executives. There are some close-knit shareholders, especially the ones from the local community, perceiving Lauba almost as their living room. This organization perceives itself as responsible to express the interests of contemporary artists of the young and middle generations, and to fulfil the needs of consumers of a specific kind of urban culture.

Since there are many requests for the use of the venue, Lauba has to be selective when it comes to choosing its partners, as well as its stakeholders.

As already mentioned, Lauba cooperates with the Museum of Broken Relationships and the Oris House of Architecture, and it is not a member of any other networks.

Lauba is working with schools, kindergartens, organizations and companies which use the venue to organize their events. The cooperation with kindergartens and schools is fruitful and praiseworthy as investment into future generations. Free workshops for children have also been organized.

Beneficiaries, or better to say partners, with innovative programs are selected through tenders.

Through its innovative and creative approach, with distinctive entrepreneurial culture and management skills, the organization established a museum of contemporary art and made impacts on

several levels. In the unattractive part of the city, Lauba became the community's cultural centre, a living room of sorts. Lauba is open till 10 PM; people go to exhibitions and museums after work. With significantly less money, Lauba has achieved a greater impact than the national museums. Even with such innovative practice they had an impact, and public cultural institutions realised that it is a kind of competition and in recent time they made similar innovations in their operations. Besides that, professionals from public cultural institutions, with big informal power, do not pay tribute to this innovative project and they are critical related to public funding of Lauba and they have, in this case, a very strong statement how the state supports the café shop but not the real gallery.

At the city level, this became a destination where the events attracting an ever greater number of people take place. As a direct consequence, this part of the city and its immediate surroundings became more attractive, and a desirable location for apartment buyers.

The Lauba project has changed the cultural sector perception. Culture is no longer monopolized by the state; everybody can participate in different ways and give their voluntary contribution. Through its activities, Lauba has developed a social capital with the capacity of social integration.

Lauba brings young artists together, buys their works, introduces them to the Croatian public and contributes to their reputation in Croatia and abroad.

Lauba is innovative as a private initiative developed in the field of arts and culture, or more specifically, among the museums of contemporary art, with a clear civil component rooted in the community and associated with various stakeholders. All this makes it a unique

type of hybrid organization practicing a new type of governance.

There is also an innovative practice of inviting tenders for volunteers, training the volunteers and encouraging them to participate in the work of the organization and to maintain certain associate positions later on

A tender invitation for the use of the venue for other organizations which can bring new ideas and activities of public interest is also an innovative practice. For example, this is how the Zagreb Design Week was organized: in the first year, there were 4,500 visitors, while this year the number of visitors was 10,000.

With its significantly smaller space and a much smaller number of employees than the similar institutions, Lauba has a much higher production and a greater impact. It alternates its content quite often.

They say:

"The problem is that children are no longer taken to museums and galleries by their school teachers. We must invest in children and open all doors to them: that will make them our reliable partners in the future."

Finances

There is an evidence of research that majority of CSOs in the field of culture receive state money, and they are getting less from EU sources or donations from local sources (Burušić 2014). Mostly they are getting money from local budgets which are threatened from the lasting economic crisis. For this field a new form of funding is in place through a funding programme of the, state owned, Foundation Kultura nova.

Lauba is financed partly from ticket sales to visitors. The price of the ticket is about three Euros per person. The eligible funds from the state are rather modest, distributed in an egalitarian manner, meaning that everybody gets only a piece. The persisting crisis has decreased the number of donating companies, which are also more likely to donate the goods necessary to organize an exhibition than the money. Lauba recently applied for EU funds and they hope to invest in new equipment with that money which can increase the attractiveness of their programmes. Donations of citizens to such organisa-

tions are a less developed part of local philanthropy. Crisis threatens new middle class people which are clients of this TSO. Lauba should work more systematically on building its capacity to seek such diverse funds.

One of the rear researches in the field already started that finance depending mainly of people inside organisations and their capacities (Kadrov Pavić 2007).

To a significant part, Lauba relies on the funds of the collection owner: investing in the collection equals investing in the Lauba project (building).

The revenue is increased through the events which are creative, innovative and interesting for the public, therefore attracting a significant number of ticket-paying visitors. Lauba has partnered with the innovative Museum of Broken Relationships and with the newly established organisation of the Oris House of Architecture, allowing that each of these institutions can be visited with the same ticket. Such connectivity can give a sign

to the network of innovative entrepreneurs in the field of culture and art competing with sclerotic public institutions. This alliance contributes to social capital building and they are focusing on their missions attracting more indigenous, national, regional and international audience. The mentioned alliance can have an impact on public funding providing more money for such private initiatives.

Funding is the key obstacle for sustainability of this TSO in field of culture and art (Barada/Primorac/Burušić 2016). In the face of the major crisis, everything has come to a halt and more powerful

sponsors are sought. Banks, insurance companies and profitable businesses are less interested in a sponsorship for such cultural activities as a limited part of their clients visit this space. Creation of endowment as a long term project might be a promising solution for this TSO.

The way out can be through the EU funds, and a possible regional positioning of this project. In terms of funding the leader sees new opportunity in offering this space with relevant programmes to foreign tourists.

Human resources

A significant number of volunteers participate in the activities of the organization. They are accepted after a job tender which regularly attracts the students of social sciences and humanities from the University of Zagreb. Every year they take 10 to 12 volunteers and they are guided and trained to become familiar with the concept of cultural management. For many students this means a good practice as well as the acquisition of useful knowledge and skills. In recent years, foreign students have also been participating as a part of the Erasmus programme. The volunteers have been taking on increasingly important roles: they work at the reception desk, greet pupils and students, guide them through the exhibition area, and manage the social networks activity. The former volunteers appear as implementation partners - photographers, designers, etc. - in Lauba's projects. Some 200 citizens are loyal members of the organization. They come from different sectors: arts and culture, corporate sector and the local community.

Volunteers are students, and it is a type of service learning and putting it in con-

text of employment policy with very limited chance to get employment on job market, it is a sort of social investment. With such innovative training, it can be considered as contribution, with limited scale, to modernisation of employment policy.

Lauba has only one permanent employee; the other jobs are either outsourced or carried out within the company-ini-



tiator of the project. Lauba copes with human resources with certain difficulties and it is not easy to keep qualified people in the organisation without a stable source of funding. It seems that the organisation relies on volunteers, while employed people have so many obligations and they are in risk to have a burnout. Lauba outsources part of its activities.

Investing in human resources with real skills in cultural management, with fund raising component, is a real challenge for the organisation's sustainable de-

velopment. Such investments might be conducive also for public sector.

The strengths of Lauba are related to the hybrid enterprise type with a very committed mission supported by a decent level of social capital, produced by engaged stakeholders, but still looking for sustainability in a very instable economic environment which is the real threat. Managerialism and coping with risks of the company as a founder are core parts of the strategy.

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Others

Expert interviews

Web page of the organization: <http://www.lauba.hr/en/>

SPORTUNION FAVORITEN

ABSTRACT

The Sportunion Favoriten, a sports club, has succeeded in transforming a former “family union” into a professionally managed organization. Due to the close bonds between the former president and the union itself, his sudden death al-

most led to the dissolution of the union. However, a change in management style and the subsequent relocation led to a successful repositioning of the organization.

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DESCRIPTION OF SPORTUNION FAVORITEN

The Sportunion Favoriten was established in 1947 as a registered organization on a non-profit basis with an emphasis on aerobic, physical exercise and gymnastics. Its vision is to increase the number of its members by means of quality improvement measures related to sports instructions and broadening the range of sports activities offered. For this purpose, the organization takes current sports trends into account and rents extra gym space.

The sports union team primarily consists of three people, namely the elected president, the vice president, one part-time employee and about 100 coaches (depending on the program). In general, anyone can become a member of the sports union. In 2015, the newly acquired office space as well as the bodybuilding gym were opened. Both are located in the so-called “Sonnenviertel” in the 10th district of Vienna. Funding is usually provided through membership fees, but the organization has also received a non-recurring

subsidy for its extra gym space acquisition. The amount of a membership fee depends on the type of sport someone is interested in and ranges from 85€ to 385€ per anno.

In addition, the sports activities offered are continuously monitored and optimized. The program is extremely diversified and includes various activities, such as aerobic, gym classes for children, yoga and Zumba in order to serve all age groups. The activities offered are specified in the semi-annual sports program, which is adapted each semester. Members are regularly informed about changes in the program or the additional offers and they can access details via the sports union website. Apart from this program, members can use the bodybuilding gym.

At the end of the 1980s, President Andreas Kerschhofer declared his principal objective to be the expansion of the gym activities. By doing so, he became an originator of the fitness and aerobic rush that swept the country. The

number of members increased from 2,000 to 3,000 during the “golden age” between the 80s and 90s. In February 2009, Andreas Kerschhofer died unexpectedly at the age of 41. By that time, he had been the union’s elected president for over 20 consecutive years and the organization had become a major player in its field thanks to his leadership. Shortly after his death, some of the union’s prime locations, such as the one in Ettenreichgasse, were massively curtailed by the public sector. The union lost more than a thousand members after the bodybuilding gym and the sauna

were closed. Mr. Kerschhofer’s widow became the union’s president after her husband’s death, but shortly after her inauguration, she became seriously ill as well. To make matters worse, the union used to be strongly geared to the family structure. The vice president put it like this, “there was such a strong cohesion, the sports union and the Kerschhofers used to be one”. The fact that the Kerschhofers’ grandparents were the landlords of the sports union office testifies to this cohesion.

HOW THE UNION DEALS WITH BARRIERS

Substituting a key player

A substantial internal barrier was the high influence of a long-term leader and his family that caused dependency and problems with succession. Another obstacle was the unexpected loss of locations and substantial loss of members. Two strategic decisions were essential for overcoming the barriers: The leadership structure was established in a broader basis, including both a very experienced person from outside and a former volunteer with long-term internal knowledge. Further, the supply of services and the location were courageously professionalized and innovated.

Due to the president’s death, the loss of an important gym and a significant decrease in the number of members, the union faced numerous problems. As a result, the new president was hired and joined the organization in 2010. He had previously served as Sports Director of the biggest Austrian sports association. He had wanted to become self-employed but decided to accept the offer as the new president of the Sportunion Favoriten. The vice president describes this time of upheaval:

“It has not been easy to find a new President. The existence of the union was threatened and I was about to quit myself. All of a sudden, I found myself doing three jobs without any support. To make it worse, I had absolutely no clue about the mechanisms of such a non-profit organization. And this is precisely what it takes... someone who is familiar with the particular characteristics of a sports union.”

After the new president joined the organization the whole union underwent severe restructuring. The decision to name a part-time employee and coach, who had joined the union in 1998 as a volunteer, as the new vice president was a deliberate one. This was necessary to ensure that despite moving away from a family-led sports union, the valuable knowledge and the network would not get lost in the transformation. It was hugely important for the union’s future to have a lean structure and team.

“It might sound very undemocratic, but this was precisely the problem

that union X (names were anonymized) had faced. A huge administrative machinery without being able to see the big picture.” (interview 1)

In order to remove obstacles, such as the decreasing number of memberships, a lack of appropriate gyms and insufficient financial resources, changes were quickly introduced. The changes were introduced in remembrance of the former president, whose innovative

approach served as a starting point. The major difference was that emphasis would no longer be placed on quantity but quality.

“The thing is that in the end, he only focused on the number of members without taking anything else into account. And as a result, the whole union was struggling to survive. Due to the fact that quantity seemed to be all that mattered, prices were below average.” (interview 1)

Choosing a new location and building up structures

The next step consisted of a major relocation. The former location only consisted of the union office and a school sports hall. Due to a change in educational policy, some schools were no longer able to cooperate with the union and their sports halls were not available anymore. As a result, the gym in Ettenreichgasse had to be closed and the bodybuilding gym as well as the sauna could no longer be used. In the other locations, there was a significant lack of appropriate infrastructure, and the sanitary facilities were old and insufficient. In order to deal with all those shortcomings, some private facilities owned by the Kerschhofers had to be used for business purposes. Moreover, the target group that the union aimed at attracting could not be found in this particular catchment area.

A new location had to be found under the condition that the bodybuilding gym and the union office would be located in the same place. The office union started to have regular business hours in order to have a professional appearance and to offer a viable first point of contact for (potential) members. Further, the new bodybuilding gym was meant to attract new members. However, a bodybuilding gym of a considerable size requires

adequate financial means in order to be built and maintained.

Finally, the organization chose the Sonwendviertel, a newly established area, as the new location. It offered the opportunity to rent sites at a price more favorable than before. Furthermore, this residential area was also a home for more than 14,000 people, providing a solid potential customer base. Moreover, it was possible to rent an office next to the newly built bodybuilding gym and to offer more sports activities than before. The building project enables the sports union to use several common areas, such as an indoor swimming pool, a climbing area etc. On balance, the new premise not only offers office space but also a reception area, a bodybuilding gym and several sports halls. Since the bodybuilding gym was smaller, more space-saving equipment was needed. Despite the limited capacity, the emphasis was put on providing high-quality service. As a result, the decision was made to buy dual devices and multi-functional machines that were medically certified. These amenities are usually just offered by private sports studios. This dual use sport equipment saves significant space, and switching from one piece of equipment to another

er is quite simple and can be handled in a minute. The medical certifications even allow for physiotherapy treatments. Due to the innovativeness of this concept and the way the relocation was carried out, the sports union received a considerable subsidy from the City of Vienna. The remaining amount was financed by other comprehensive income.

The reception area was also renovated, offering regular business hours for the first time. This was also a means of attracting potential new members for the sports union. The reception area serves as an information desk and offers personalized advice. Additionally, free trial sessions can be arranged.

Adapting the services provided

The program of activities is being continuously expanded. The joint use of the indoor swimming pool is already quite popular and climbing courses will be offered in the very near future. The union only works with officially certified trainers who are required to attend professional development at least once a year. The challenge, however, is finding well-educated trainers at the right price.

Due to this high degree of professionalization, the Sportunion was able to become very successful at its new location and the union is able to benefit from a large network of people. The union's image has improved considerably and further expansions are already planned. The feedback is generally very positive, which results from the successful integration and usage of available resources. Sports areas near the new building, for instance, can be used. The union's representatives report that "the environment is very happy with our opening, since we mainly serve the people living in this district". Upon recommendation of the property developer and the district representative, the union has also been approached by an architect who aims at cooperating with the Sportunion in an ongoing construction of new residential buildings in the area with sports areas for the youth. These areas will also be at the disposal of the Sportsunion, which offers the advantage of keeping the rent expense relatively low, as the areas

can partly be financed by the rents paid for the apartments.

When taking over the union, the new president realized that prices for some activities were not sustainable. The new board decided to take a more professional and economically oriented approach and also to increase prices, while also maintaining its tradition of high quality at a fair price. It aims at offering value-for-money packages that still cover costs. This does not go without controversy as particularly long-time members tend to criticize this philosophy. Nevertheless, the union sticks to its convictions emphasizing the fact that high-quality service and medically certified sports equipment allow the union to stand out from its competitors. The Sportunion distinguishes itself from its competitors by being Austria's first and only sports provider carrying the Austrian quality label that testifies the high quality of its services.

The idea of introducing regular business hours and renewing the sports program by taking the particular needs of the community into account proved beneficial for the union's image. In addition, the emphasis on quality rather than quantity turned out to be helpful as well because hardly any other sports studio offered medically certified sports equipment. Using dual devices has enabled the union to make the most of

the limited spatial resources and the decision to substitute volunteers by regularly employed staff proved to be a good one. Last but not least, the decision to only work with certified trainers and the fact that the union now carries the Austrian quality label have fueled the union's success even more.

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MODERN HYBRIDS



GÄNGEVIERTEL HAMBURG

1. ABSTRACT

Gängeviertel Hamburg is a versatile organization in the field of Arts and Culture. Its name refers to the neighborhood 'Gängeviertel' in Hamburg. Being a cultural organization, Gängeviertel Hamburg also links to the fields of community building, neighborhood development, urban planning and social housing.

In contrast to other socio-cultural organizations, Gängeviertel preserves a strong advocacy component even against the background of increasing institutionalization and cooperation with city authorities. It manages to address and challenge the city of Hamburg's highly competitive cultural and creative policies. It serves as a facilitator, not only for socio-cultural activities, but also encourages other initiatives' critical and political work. It made an 'open space of possibilities' available in the very center of Hamburg and ensures the accessibili-

ty to alternative cultural activities open for all, independent from economic capabilities. Besides, it heavily contributes to civic participation and empowerment - as basically all activities are conducted by volunteers.

The organizational voice has been continuously seeking and establishing innovative means of political protest. In summary, Gängeviertel is a refreshing example of engaged local citizens calling to action in a climate of severe social challenges. It illustrates that idealism and visionary ideas can reach sustainable manifestation if comprehensively planned, successfully connected to a public discourse, and pursued with a high level of commitment. Even though the Gängeviertel approach may not be a universal solution and highly dependent on the local context, it still provides a powerful and encouraging image of innovative possibilities.

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This case study introduces the organization itself, as well as its political and societal environment. Additionally, it aims at identifying the decisive factors of its success and resilience. A first subchapter will discuss the history and development of the initiative, while the following chapters present its legal and organizational form, governance

structure, activities, financial situation and human resource management. The third chapter starts with an outline of third sector barriers addressed and overcome by the organization. Afterwards, innovative elements and practices will be identified. The section closes with an overview on successful strategies and future possible challenges.

2. DESCRIPTION OF THE CASE

2.1 History and Development

The name Gängeviertel ('alleyway quarter') refers to the architectural characteristics of the neighborhood where the organization and its activities are based. Historically, the "Gängeviertel" were working class neighborhoods in central Hamburg, in parts dating back as far as the Middle Ages. They were characterized by a very dense building structure, consisting of tenement buildings, small, mainly handicraft businesses, and workshops. Most parts of these neighborhoods were redeveloped in the late 19th and early 20th century, resulting in a demolition of the existing building structures and significant change in neighborhood environment and character. This had been necessary in a time of strong urbanization and due to poor living conditions and the spread of diseases within the quarters. Only a few quarters remained intact through the Second World War and were finally been torn down by the 1960s following inner city or traffic infrastructure development programs. However, an area of 12 houses mainly in original Wilhelminian architecture remained untouched. Some of them were set under historic preservation between 1987 and 2001.

This quarter is located directly within Hamburg's city center, in close proximity to popular shopping areas such as



Gänsemarkt, Jungfernstieg and Neuer Wall. The trendy neighborhoods of St. Pauli and Schanzenviertel are easily accessible from there as well. The location inside the central business district makes Gängeviertel's position a very characteristic one: The historical quarter is surrounded by landmark buildings from past decades as well as modern business architecture, featuring high-rise glass and steel structures.

The history of today's Gängeviertel organization portrayed here dates back to the year 2009. Then, a group of about 200 artists and activists occupied the neighborhood. One year before, after long plans for privatization, the historic buildings were purchased from the city of Hamburg by a Dutch investment corporation. By then, this property had been vacant for years and in significantly deteriorated condition. It was planned and approved by city authorities to demolish most of the building structure. Instead, the area was supposed to be developed as upscale housing and office complex. The activists' initiative was further facilitated against the background of the emerging financial crisis. Rumors circulated that the investor economically would not be able to stick to the initial plans due to financial constraints.

The launched initiative used the slogan "Komm in die Gänge" – a play on words meaning both "come into the alleyways" and "get things moving". The activists' actions were well prepared and immediately brought creative life to the area. From the very beginning, they conducted exhibitions, parties, concerts and political debates. Consequently, their activities from the beginning took on a strategic and innovative nature that positively distanced them from earlier house squatting projects conducted in the city of Hamburg since the 1970s. These used to evoke strict responses by authorities and police. The success factors of the Gängeviertel initiative will be discussed further on in this case study.

The activists' clearly articulated aim from the very beginning was to obtain a permanent open space for socio-cultural activities, exhibitions and artists' workrooms. Therefore, their protest and activities were highly political. This happened against the background of the urban situation in the city of Hamburg characterized by permanent growth and development in terms of



inhabitants and economy. Concerning its urban development policies, the city of Hamburg adopted early what critics consider neoliberal strategies: It embraced a growth oriented spatial model "Hamburg Enterprise", dedicated to measures of location marketing and city competition as early as 1983 (Höpner 2010: 27). The following spatial models for urban development followed a growth strategy as well, e.g. during the early 2000s the concept "Hamburg Metropolis – Growing City" which later was reframed into "far-sighted growth". Among the strategies to pursue the concepts' objectives have always been projects connected to creativity and culture, aiming at Hamburg as a metropolis "of talents and creativity" (Freie und Hansestadt Hamburg 2010: 5). This consequently increased the importance of fields such as talent promotion, talent marketing, creative industry and culture promotion. Therefore, urban development policies were closely connected to such concepts as Richard Florida's Creative City and Creative Class approaches. The criticism of such economic exploitation of artistic and cultural activities and civic engagement on behalf of city marketing or regional economic policy measures was one of the focal points for the foundation of Gängeviertel in 2008. Furthermore, economic pressure in general, aggravated

by austerity measures, has also resulted in a decline in the capabilities of cities to ensure both a welfare-oriented urban development and support for (socio-) cultural activities.

From the perspective of activists and artists, phenomena like gentrification and its effects on urban development processes were at the center of criticism towards public policies. These effects, observed in a rise of rents in inner-city neighborhoods and subsequent challenges for low income households to keep and access affordable housing evoked protests throughout the city in the late 2000s. It also led to launch of many grassroots initiatives and networks like the “Right to the City” movement. Artists considered themselves to be especially affected by the city’s policies, they often articulated discontent at being used to promote creative city concepts, while suffering the pressures of gentrification themselves: Only few locations were available to pursue artistic activities with low economic revenue prospects in the growing and quickly developing city of Hamburg. Many of the Gängeviertel activists had lost their stu-

dios to the rent hikes of gentrification. Several locations, especially abandoned commercial sites in central Hamburg used by artists from wide varieties of artistic disciplines and for socio-cultural purposes with the consent of property owners and city authorities, were no longer available at that time. Many of these properties had been assigned to artists as interim-use locations, later awaiting demolition or redevelopment into upscale properties. For their former users, the only alternatives were interim-use projects with relatively short timespans or in remote areas of the city. For artists highly dependent on large-size material and equipment, frequent location changes or insecurity hamper creative processes, as it impedes exhibition of art works and income generation through marketing and sales. Additionally, available interim-use properties were often in poor condition and required significant efforts to prepare for proper use. For creative users, the embedding into networks is also of high importance and their formation difficult without a minimum of stability and security.



Against this background, the launch of the Gängeviertel initiative in 2009 was much more than the mere foundation of a third sector cultural organization. It clearly considered itself a protest movement fighting for the greater good of sustainable urban development policies. Importantly, this form of political protest was closely connected to aspiration of self-realization: The possibility to position their own cultural work in a space accessible for the public was of equal importance.

The urban developments, resulting in a serious lack of affordable housing and accommodation for less prosperous or profit-seeking activities had led to disgruntlement and protests for years. Yet, in most cases, these had attracted only little public attention and generated only very limited results.

The Gängeviertel initiative was strongly embedded in the newly established "Right to the City" movement. The vitality of the urban protests connected to the network puzzled both journalists and researchers, as Hamburg's grassroots protest movements had seemed to have lost much of their original potential and force (Novy/Colomb 2013: 181). The activists managed to publicly challenge the sale of the Gängeviertel property which had been considered irreversible. Consequently, a coalition of artists and activists from the region and all over Germany expressed their support, demanding not only the preservation of the Gängeviertel, but also a social priority in urban development. The media, including Hamburg's main conservative newspaper, covered the occupation in an unexpectedly positive manner.

Consequently, the city government decided to take up negotiations with the activists. IN Hamburg, the city and the federal state have a unitary government. Contrary to former squatting,

the police were not ordered to forcibly evacuate the buildings. In 2009, the city council decided to buy back the entire site from the investor. The costs exceeded the initial price for €2.8 million. Since then, negotiations about the further planning for the quarter have been ongoing. Based on a cooperation agreement between the city of Hamburg and the Gängeviertel initiative, different decisions on the future ownership, the use and development of activities have been made. Others are still being contested. This case study will take a closer look at the current state of the Gängeviertel initiative and its organizations. It will illustrate what made their success happen, how innovative practices shape their everyday work and how a strong advocacy orientation went hand in hand with grassroots democracy and community orientation.

Today, Gängeviertel represents an organization which is not only strong in (socio-) cultural activities, but also plays a significant role in urban development. It is a living example of grassroots democracy and strong civic participation. From the very beginning, the building complex was open to the public. By now, it has enriched the alternative cultural life in Hamburg with artistic performances, exhibitions, concerts, festivals and workshops for more than six years. Following the cooperation agreement in 2011, the restoration of the building structure started. Since then, intensive repair works have been conducted and the initiative has focused on the site's development based on an Integrated Development Concept ("IEK"). Integral part of this concept is also the use of the buildings' upper floors as artists' workshops and social housing. In addition to the socio-cultural activities, tenants have moved into the renovated buildings.

2.2 Legal and Organizational Form

In 2009, shortly after the early occupation days, Gängeviertel Hamburg was legally established as an association. On its basis, a cooperative was founded the following year. In the basic division of tasks between the two organizations, the association is responsible for all social and cultural activities conducted within the quarter, for advocacy and both networking with other initiatives on city level and cooperation with organizations also contributing to activities on site. In 2016, it counted about 200 members. However, membership is not required to taking part in Gängeviertel's activities or for volunteering and contributing to the organization's vivid daily life.

The cooperative "Gängeviertel eG" was established as project development cooperative. It administers the renovated buildings in the quarter and takes on any related tasks. It also aims at building a capital stock for a possible future purchase of the buildings and future investments into the building structure. Therefore, in analogy to housing cooperatives, future long-time tenants are required to subscribe to cooperative shares costing € 500 each. The number of shares required is dependent on the size of the property used. In addition, any third person can subscribe to the

cooperative in order to express their ideational and practical support in preserving the Gängeviertel as alternative socio-cultural site. The Gängeviertel activists see the cooperative "not only as legal form but also as an aspiration" concerning collective action, transparency and self-organization of citizens. In this vein, any cooperative member holds only one vote so that influence on the organization is not shaped by the members' economic power. The cooperative is furthermore seen as constituting a framework within which the association is developing and conducting its activities. Based on this understanding, the cooperative takes responsibility for all administrative and developmental matters concerning the neighborhood.

The high bureaucratic demands imposed through the legal framework of cooperatives are thereby considered a helpful strategy to ensure the organization complies with its own ideals and statutes. It is also supposed to safeguard professional administration and increase external trust in the reliability of the organization. In the eyes of the activists, it stresses their outward-bound orientation towards the public and the public good and serves as safety feature against the exclusive pursuit of individual interests.

2.3 Governance Structure

Apart from the legal structure outlined above, Gängeviertel works as collectively-oriented initiative with participation and grassroots democracy as highest values. For strategic and basic decisions, it considers a "Vollversammlung" (general assembly, however in a wider understanding as in associational law) its highest governing body.

This event is open to all activists and volunteers wishing to participate.

In recent years, the importance of the legal forms' official bodies such as governing and supervisory boards has steadily been increasing. The activists consider this development a means of professionalization. This is considered

necessary as the permanent negotiations with municipal authorities and the increased responsibility after taking over the first renovated buildings demand a higher degree of reliability. These developments consequently decreased the actual importance of the weekly *Vollversammlung*, reframing it as an arena for mainly strategic decisions to which the organizational forms' bodies feel obliged. In addition, it has an informal high importance for the organization of every-day life on site as a low-level discussion forum where practical issues and small-scale challenges of the community are discussed. The activists highly value this institution as the cohabitation in such a densely built and lively environment may sometimes be challenging and requires immediate response to possible emerging conflicts.

The activists consider the *Gängeviertel* a collective initiative shaped by everyone interested in participating. The development of possibly hierarchical structures through the institutionalization of decisions is consequently considered a threat to the project's grassroots approach. To mitigate negative effects like knowledge hierarchies, the activists agreed on common measures like rotation principles and dual chairmanship. Also, the positions on the organizations' bodies are regularly taken by experienced activists themselves who often look back on a long and intensive commitment in the quarter. A high level of consciousness to constantly safeguard and preserve their collective aspirations complements this approach.

Organizing *Gängeviertel's* activities with a high share of grassroots democratic instruments also appears helpful for dealing with challenges in recruiting volunteers. The possibility of meaningful and comprehensive participation in the organization's strategy and com-



munity life seems to appeal to people interested in investing efforts into the project.

As was recently described by the Third Sector Impact project reports, flexible and project-based participation appears more in line with the demands today's volunteers are confronted with in their everyday life (Zimmer et al. 2016). In addition, *Gängeviertel* consciously decided to cut out hierarchies and leadership positions as far as the requirements of legal forms allow. This also meant a trade-off between grassroots organizing and requirements of reliability. At least in the context of the project, this decision seems to be an adequate method of motivating volunteers. In this case, apparently, it is the idealism and not the structures that make success happen.

Eventually, the *Gängeviertel* activists consider their organizational life as fluid practice which is not supposed to guarantee a stable institutionalization on a long-term basis but to be continuously reshaped and adapted to the activists' needs and wishes. Therefore, the general assembly works according to the principle of consensus. It is subdivided in so called "AGs." The general

assembly appoints and dissolves these executive committees flexibly when necessary. They take part in activities and administrative tasks wherever needed. From time to time, certain ac-

tivities like theater projects are transferred into spin-offs to facilitate the allocation of public project funds to these activities.

2.4 Gängeviertel Activities

The organization presents itself as an initiative to preserve and develop “a space in the center of Hamburg in which arts, cultural activities and discussions bring up new ideas in workshops and social projects.” The participants of the organization understand “Arts and Culture not as marginal issue, but as an essential one.” In cooperation with other initiatives, they commit themselves to urban policies in Hamburg which are “politically and socially oriented towards Hamburg’s citizens’ welfare.” They see themselves “fighting for open spaces – urban and mental ones.”

Gängeviertel’s development concept consists of approaches towards a sustainable and integrated development

of the whole neighborhood district. This aims at a connection of public spaces with community-oriented living and activities, expressed as a “permanent space of experimentation for new forms of a social and just society”.

The specific objectives of the organizations are the following:

- Openness and broad access for everybody
- Self-determination and -organization of one’s own community
- Vital space for discussion of artistic and societal questions
- Diversity of life plans and cultural perspectives
- Free spaces for artistic and cultural development



- Joint life without economic pressures and mutual repression
- Revitalization of the historic quarter

The use of the residence buildings in the neighborhood is supposed to ensure a strong mix of living, social, cultural and artistic activities with community-based factors and openness to the public, e.g. in concepts like community workspaces and theater rehearsal and performance spaces. In the preserved historic buildings, the following utilization framework is in place. It was developed and implemented step by step in the recently renovated buildings and has already been implemented on a more provisional basis in the buildings still awaiting renovation:

- Big event spaces for discussions, lectures, exhibitions and theater performances
- Open artists' workrooms and scholarships, single and continuous workshop offers
- Rehearsal and performance spaces for music, theater and dance
- Seminar rooms
- Open-air exhibition spaces
- Private artists' workrooms

All public activities are supposed to connect artistic and cultural performance with social activity and discussion. Therefore, the environment of Gängeviertel is also supposed to increase contact with civic participation and as a forum for internal and external groups interested in cooperation and exchange.

Seeing these goals and visions similar to the traditional field of socio-culture in Germany, it is the connection with living/housing and business activities which makes the concept special: Certain parts of the buildings are leased as private apartments, especially to tenants eligible for subsidized housing, whereby tenants are jointly selected by initiative and city authority represen-

tatives. Spaces within the public area of the neighborhood are reserved for small scaled businesses, not only covering gastronomic offers but also trade and handcraft.

As of today, Gängeviertel's online event calendar lists public events for almost every day. The buildings host concerts, parties, lectures and debates as well as ongoing exhibitions and events conducted by external social or political initiatives within the buildings. Central point of the present activities and heart of the quarter is the socio-cultural center, called "Fabrique" where most of the activities take place. The recently renovated building offers different venues for the activities on several floors. Apart from concert and theater facilities, seminar rooms and exhibition spaces, a significant share of the building, are rented out to other initiatives, e.g. a collectively run radio station, a seminar artistic workroom and a photography studio. The other buildings on their ground floors host workshops, an art gallery, bars and cafés. A focal point for the quarter is the so called "Jupi" bar which is open on a regular basis and run by volunteers. It is also used as a location for cultural events. As for all other public activities, drinks and food are offered at a "pay what you want" policy, working on very low basic prices which guests decide to top-up by donations on a voluntary basis.

Through making their facilities also available to external organizations, groups and initiatives, Gängeviertel also serves as a facilitator of civic engagement and political participation. Also, their own advocacy activities are of high importance for the Gängeviertel activists: As outlined above, they founded and institutionalized their initiative in times of permanent austerity, resulting in a restriction of public finances and in unfavorable conditions of urban policies fostering growth and economic de-



velopment. They articulate a critical and very comprehensive approach, linking the self-interest of affordable accommodation for cultural activities and artistic work to a social goal of a city with opportunities for everybody, championing the affordability of cultural events as a central element of citizens' social life. Therefore, the negotiations with city authorities have never been easy and are still ongoing. The initiative has already achieved important milestones such as the reacquisition of the site from the investor or the renovation of the first buildings. However, much of the effort of the activists is still bound in advocacy work to ensure a long-time preservation of the Gängeviertel as a socio-cultural institution and to avoid excessive commercialization or a later sell-out of the site when the situation has further normalized, and public attention might have shifted after conflicts have finally been resolved.

Against the background of limited availability of the Gängeviertel quarter itself during the renovation of the building, a second site, similar to a branch of Gängeviertel, has been opened in the Oberhafen area. The Oberhafen area is a former industrial site, located in close proximity to the upscale "HafenCity" quarter. It is supposed to be developed and rebuilt in the medium term. Until then, it is intended to serve as a creative quarter with a number of interim-use facilities for artists and creative users. With the help of Hamburg's authorities' creative agency, the Gängeviertel activists received an old railway infrastructure building ("Alte Bahnmeisterei") for interim-use. A good share of the activities supposed to be hosted in the Gängeviertel itself before and after the renovation could provisionally move there. Also, a music club was established whose revenues are used to cross-finance activities at the Gängeviertel.

2.5 Finances

The funding mechanisms of Gängeviertel heavily rely on its own business activities. Overall important are the revenues from gastronomic activities, i.e. sales of drinks in bars and during concerts and parties. They are considered micro donations following the “pay what you want” policy. Private donations in a traditional sense carry only a supportive role in backing up the organization’s activities and structures. The rents charged to tenants and users of the property are deliberately kept very low to ensure initiatives can use the infrastructure independently from their economic capacity. The Gängeviertel association is able to cross-finance its special-purpose operations (arts and culture activities, seminars) through revenues from its economic business operations. Possible surpluses are invested into the furnishing and equipment for the socio-cultural center.

According to the long-term utilization concept, Gängeviertel seeks a wider financing mix: Different activities are designed to cross-finance each other. Following this approach, rents for businesses and private tenants are supposed to be graduated according to financial capacities. This aims at an alternative concept of funding which extends the usual approach of socio-culture to a more integrated one, however, so far could not be put into practice.

For the year 2016, the city of Hamburg allocated structural funds of EUR 115,000 to the organization in order to support the gradual opening and institutionalization of activities. However, the financial situation of the Gängeviertel is characterized by a high fragility: While the organization is aiming at financing its activities from own revenues and to decrease its reliance on public support, at the moment its goal of independence cannot be fully achieved yet.

The organization reacts with its high degree of voluntary work, almost foregoing paid employment completely and cross-funding through external activities such as the branch located in the Oberhafen area. Corporate and public project funds are only of minor importance for the organization.

However, it is often argued that the buildings of the neighborhood are the property of the city of Hamburg. Their assignment to the initiative is consequently seen as significant public contribution. However, on the expense side, the rents paid to the city of Hamburg as property owner, are an important issue for the organization. Although, as a result of long negotiations, they are kept relatively low at about EUR 2.50 per square meter and by no means comparable to commercial rents in the respective area, they impose challenges the organization is reluctant to accept. The activists see themselves as voluntarily working for the public good with a strong social mission and stressing their non-profit orientation. Consequently, they see themselves “paying with their work instead of money” and thereby contributing to the satisfaction of social needs for Hamburg citizens that is elsewhere neglected. The activists argue, the social return the city is receiving from their civic activities by far exceeds any possible rent revenues. They see the city responsible to make the necessary infrastructure available to facilitate civic engagement. From Gängeviertel’s perspective, the city authorities’ financial contribution is seen as an investment in the authorities’ own building stock rather than a way to genuinely support the initiative itself. All in all, this financial question appears however to be a question which is first and foremost of political nature. It refers logically to the organization’s social and societal ambi-

tions and can be considered legitimate against the background of present societal challenges. From the perspective of the history of the organization – starting a visionary project without significant financial resources but with a high degree of creativity and commitment – it will probably not develop into a challenge threatening the survival of the organization. Additionally, it is also argued that the obligation to pay (low) rents also has a positive impact on the efficient and effective use of the available premises. Without doubt, the renovated condition of the new premises is also increasing the possibility to find potential tenants and users. It can therefore be considered a good compromise between city authorities and initiative which ensures an efficient and still purpose- and meaningful use of the site.

All in all, Gängeviertel is in line with the overall situation of socio-cultural cen-

ters in Germany, both the traditional strong mix of resources highly dependent on own-business activities and, however, at the same time severe challenges to secure sufficient funding from year to year (Bundesvereinigung Soziokultureller Zentren e.V. 2015). Many organizations have been facing a decrease in financial resources and increasing uncertainties as a result of the regulations of project funding. Often this situation is further aggravated by a poor financing mix, high bureaucratic demands and strong government control. Furthermore, state funds in the cultural field are often only provided to projects of high cultural relevance. The funding for cultural projects with a social mission, often located at the crossroads of different policy fields, however, has remained rather difficult (Zimmer et al. 2016).

2.6 Human Resources: A Volunteer Organization

From the very first occupational days through interim-use of the run-down buildings until today's institutionalization and professionalization: Gängeviertel has succeeded in keeping basically the whole organization in the hands of volunteers.

The idea behind the volunteering and participation policy of Gängeviertel is "who wants to participate, can participate!" As a consequence, the whole organization is shaped by volunteers. They implement their own activities, take care of every-day organizational tasks, commit themselves to the maintenance of renovated and un-renovated buildings and take organizational responsibility. For the latter, they fill out positions on the legal forms' bodies, are organized in topic-related working committees or contribute on the initia-

tive's side to the negotiations with city authorities.

On the other hand, full-time contracts are basically non-existent. A small number of financially remunerated part-time employments secure the reliability and continuity of basic administrative matters, like for the Gängeviertel cooperative and the maintenance of the socio-cultural center "Fabrique". However, any monetary benefits are limited to a minimum. Eventually, there appear to be other aspects that promote the interest in volunteering and participation:

First, in line with the tradition of socio-culture in Germany, Gängeviertel links its different fields of activities and develops an intensely interwoven big picture that positions cultural activities as an integrative element of social

matters and city life. Second, it offers open space for self-organized cultural and political activities and acts as a facilitator for the diverse Hamburg political and cultural scene. Third, it innovatively links these activities to a strong advocacy focus and spreads out to the field of housing and urban development. This network-like approach manages to incorporate their advocacy for and supply of affordable housing and accommodation for creative individuals as a full-fledged component to its self-understanding.

This approach apparently is a decisive factor how Gängeviertel manages to continuously safeguard a sufficient supply of volunteers committing themselves to the organization and its activities. It makes it attractive for individuals interested in preserving their free spaces and acquire avenues of political articulation. The possibility to serve as a facilitator of individual, in parts self-related, engagement, appears to be a cat-

alyst for prospective and present volunteers' motivation: Often volunteers start about using the offered space for their activities. Later they start contributing to the project as a whole. The continuous recruitment of interested volunteers from outside the organization remains very important. They complement the commitment of volunteers living and working inside the quarter. For many, the particularly different social approach of community life within the quarter is said to be decisive. As a consequence, the initiative is able to conduct its activities without formal measures such as volunteer coordination or management. Therefore, it can also be expected that the individuals' transfer from an orientation on self-interest towards an orientation towards advocacy activities within the political process is at least an intermediate impact of Gängeviertel's volunteering and participation model.

3 THE GÄNGEVIERTEL AS A RESILIENT ORGANIZATION

Many organizations reshape their internal structures, reconsider their financing mix or diversify their activities in order to keep pace with societal developments or challenges. The Gängeviertel, however, is an organization that initially came into existence as a reaction to societal challenges and barriers. It dealt with the impression of impeded civic participation in a highly competitive environment which did not satisfy the needs and aspirations of the activists. Consequently, the decision to occupy the site and develop a comprehensive alternative concept can be considered a creative response to an urban policy they did not value as supportive. Additionally, the imminent threat of destruction for the historical neighborhood served as a suitable occasion to take action.

However, this situation and call to action did not develop out of nowhere. Previously, several groups had used the buildings of the Gängeviertel both for low-key cultural interim-use projects and informal discussion rounds in a semi-legal basement bar. This helped to develop the idea for an occupation of the quarter by collecting internal and external, private and professional experience from a wide network of activists, urbanists and artists.

At that time, it was not expected that the situation would develop as experienced in the following years and would lead to the foundation and institutionalization of a socio-cultural organization. It was meant as a creative way to express protest and dissatisfaction with

the models of urban and cultural politics outlined in the introduction.

Consequently, Gängeviertel can be seen as a typical example for an organization that was founded as a reaction to severe urban challenges. Its mere existence was meant to overcome barriers impeding the realization of goals to which a number of individuals felt committed. The reason for its initial and ongoing success was a number of creative and innovative advocacy approaches specified in detail further below. From today's perspective, Gängeviertel can be considered as a resilient organization because it continuously manages to address and overcome significant barriers to cultural third sector organizations presented in the following section.

The organization emerged in order to

overcome certain barriers and challenges which to this extent had not been addressed by third sector organizations before. Thereby, its characteristics are closely connected to the environment of Hamburg as Northern Germany's prosperous economic and cultural center. At the same time, it can be seen as a response from civil society to recent trends at the crossroads of arts and culture on the one hand and urban development on the other. Therefore, it does not fit into the overall picture of arts and culture third sector organizations in Germany but goes beyond the field. For a long time, these organizations have only been perceived to complement a strongly state-run and regulated field of arts and culture to a small extent of societal and quantitative importance.

3.1 Barriers confronting Gängeviertel

Barriers resulting from the competitive environment of Hamburg's urban development policies have been shortly summarized in the introductory chapter and account to a great extent for the foundation of the initiative. In this part of this case study, a focus on the analysis is set on barriers still confronting the organization in its approach to offer cross-sectored activities based on its cultural focus. In general, as outlined by the TSI project, the field of Arts and Culture in Germany – especially if based on the local level – is affected by several significant barriers (Zimmer et al. 2016).

Sector infrastructure and equipment

TSOs in the field of socio-culture have regularly reported difficulties with the availability of premises and up-to-date facilities and equipment. Combined with a lack of funding illustrated in the finance section of this chapter, these developments put also stress on vol-

unteers and staff and limit TSOs' ability to offer activities to the public. Hence, also possibilities to respond to the users' needs are restricted (Zimmer et al. 2016).

Volunteering

Today's volunteers increasingly demand flexibility and project-based engagement without longtime responsibilities towards existing organizations. Especially within the field of arts and culture, stakeholders and surveys have also indicated an emerging recruitment problem: The age structure of volunteering in the cultural field resembles the overall demographic trends in Germany. The demographic trend might lead to a decrease in the number of volunteers in the mid-term future (ibid.).

Advocacy

Especially in the cultural field, organizations and their representatives have

maintained close relations with state actors and municipalities. This is a result of a historically developed dependency on state funding. This trend might make organizations lose their self-understanding as societally and politically critical players and endanger their historical position as incubator for e.g. societal protest movements.

Hard times for integrated approaches

The TSI project identified a general trend that community building activities or activities e.g. with socially disadvantaged groups are often costly and risky endeavors for third sector organizations. Sufficient funding is often hard to acquire and uncertain. Therefore, they might jeopardize the economic survival of organizations and might be disregarded in favor of economically more promising activities. This may lead to the problematic consequence of challenging the possibilities to integrate weaker parts of society.

Increased competition

Especially when applying for public funds, austerity policies encourage ruinous patterns of competition between third sector organizations. Project applications are often watered down in order to support a generally higher number of applicants. As the only way to reduce costs are often staff expenses, this further intensifies the precarious situation of creative artists.

Support only for exploitable activities.

As outlined above, prosperous cities such as Hamburg heavily engage in measures of city marketing. Cultural activities are assigned the role of a business factor. Consequently, activities have to be in line with the image supposed to be drawn by marketing specialists in order to gain support. Especially activities aiming at social issues or of a political or critical nature may fall short against offers which can be more easily incorporated into marketing strategies.

3.2 Innovative Elements and Practices

To a high degree, Gängeviertel is characterized by its use of innovative practices and elements. These played an especially important role on the way from its first days of advocating a different policy for urban development until today's institutionalization as a recognized and established player on the field of alternative arts and culture in Hamburg.

The innovative idea applied by the Gängeviertel activists was to conduct a de facto occupation of the vacant buildings but avoiding any impressions of militant intentions or political radicalism. Their action has therefore been described as an "artists' occupation" characterized as "happening" or "event" (Schuldt 2011).

The occupation day in August 2009 was designed and advertised as a courtyard and artists' festival with music, performances, discussions and parties. Considering the public opinion, this approach facilitated the transformation of a rather radical protest activity into a public event which was open to the Hamburg citizens.

In general, it is the way in which protest actions are organized and designed that decide about the consent or rejection of the public (Balistier 1996: 247). Consequently, the activists conducted a high degree of communications and advertisement measures. Their framing as cultural event in the atmosphere of historic buildings, surrounded by the glass and steel architecture of the central business district managed to attract

attention. Probably it also helped to develop a certain extent of solidarity with their aims as the public considered them to be committed in favor of the preservation of the architectural heritage and providing open cultural events to the city.

In fact, the visitors during the courtyard festival in August 2009 supported the activists and their occupation. Probably, the event was additionally attractive as it addressed the public also from an emotional perspective: The demand to preserve the last remaining part of Hamburg's historic working-class architecture was well connected to the public interest. The fact of long vacancy and continuing decay of the buildings against the background of the commonly known housing shortage in Hamburg further increased the public support.

It was probably due to the high public attention and positive media coverage that the authorities restrained from police operations to end the occupation. The artists and activists themselves expected early eviction from the quarter and were eventually surprised that their endeavor might have a chance to endure and to develop into an organization. However, their occupation was not supposed to be an alone-standing project, their orientation on social change was underlined by the immediate establishing of contacts to political and authority representatives and the media during the first day of their protest action.

The role of the media can be considered very supportive. Following a press release and letter to the city government, the city's leading media followed the interpretation of an artists' occupation and constructed the activists as 'law obeying occupants'. The activists apparently also pursued a strategy of expertise: Their analysis of the quarter's situation within Hamburg's urban development framework was quite elaborate and sup-

plemented by first ideas and concepts on how to develop the site. Therefore, they could make use of the public attention attracted by the innovative protest actions and position themselves as not only advocates but also experts for the quarter's preservation.

Although that kind of occupation remains the most extensive disobedience applied by the activists, it served as a catalyst to exert political pressure for their aims. They also succeeded in setting the urban development discourse high on the political agenda. Apparently, the advocacy set by the activists emerged as an important discourse within the city. Enhanced by wide support, it led to a far-reaching questioning of Hamburg's urban development policies

It also can be described as a smart choice of strategy to connect the ideals and aims of the activists to the development of the image of a creative city pursued by the city authorities. Here, they managed to apply the buzzwords of 'creative industries and talents' to themselves and consequently give higher significance to their aims and needs. They connected these to the possible future use of the buildings in exactly the way municipal development models aspire. Additionally, the initiative's open attitude and communication of public interests managed to address the bourgeois backbone of Hamburg's civil society. The positive media coverage led to a public opinion appreciating the activists' high commitment and 'friendliness'. This open-mindedness was also visible in their willingness to start comprehensive and long negotiations with city officials.

In general, the production of social innovations is considered an important impact of third sector organizations (Simsa/Rauscher 2014). The way the Gängeviertel employed the innovative measures outlined above in order to develop its resilience in a very challenging environ-

ment highlight once again the importance of the project. Gängeviertel activists themselves are apparently aware of the innovation created and would consequently like to see their organization as a model project for participative and empowering processes of culturally engaged individuals and groups. This appears to be legitimate, taking into account their success in creating an 'open

space for possibilities' in arts and culture and beyond. They implemented a project which allows engaged citizens to address social and societal challenges in an innovative way, namely with a high degree of autonomy, self-determination and empowerment. Therefore, it can clearly be considered a socially innovative project.

3.3 Strengths and Weaknesses

3.3.1 Successful Strategies

As outlined above, the success of the initiative in articulating its protest and for a first institutionalization of its activities can be seen in the highly innovative design of their advocacy measures and protest events. As the organization grows older and becomes more professional, further success factors become visible which especially refer to the barriers specified in chapter 3.1.

As shown before, one main resource of the initiative is its high degree of activism and self-realization. Along with their strive to fulfill and find innovative solutions for their own needs, the organization also developed or facilitated (socio-)cultural activities for the public good. Consequently, they address issues which tend to be dismissed in the policies of the neoliberal city, i.e. due to austerity pressures. The high role activism and advocacy play in their work appears to be a successful way to ensure the survival of this cultural organization in a very dynamic and changing environment without losing its organizational culture and civic character.

A high level of public attention makes Gängeviertel a prominent third sector cultural organization. It challenges the common German perspective by which third sector organizations in the field of

arts and culture have long only complemented the field to a small extent of societal and quantitative importance.

The organization aims to integrate weaker parts of society and contribute to social change. Important measures for example are keeping cultural activities at low costs in order to ensure their accessibility for wide parts of society.

Gängeviertel is highly active in networking with similar initiatives on the city level, establishing networks of friendly cooperation. This reliable environment allows for withstanding the common logic of competition among third sector organizations. It also helps in terms of advocacy to challenge authorities and political sphere and to demand an increase in funding programs.

Apart from that, the organization itself is following a reformist approach and keeps itself at distance from the sphere of institutionalized politics. Persons involved in the organizations rather see themselves as activists than service providers. Hence, the organization is very much in pace with societal trends and elaborates concrete activities and topics in the context of its specific social environment. This is in contrast to the common situation that (socio-)cultural

organizations see themselves exposed to the trends of economization and are forced to keep in line with strategies of city marketing and regional economic policies. This negatively affects other organizations' possibilities for advocacy and taking a strong and demanding position towards city authorities. Gängeviertel maintained its character as protest initiative. It has managed to successfully transform its legacy into a pro-active player taking part in agenda-setting and policy formulation at the local level. By pursuing a strong cooperation with similar initiatives, Gängeviertel does not refrain from taking controversial positions, even in negotiations with authorities relevant to the further support of the organization.

Still, as in the very beginning, they consider the cooperation with city authorities the only possibility to develop the quarter according to their aims. The whole project was designed from the very beginning to seek this cooperation. In general, the situation in the city today is different from the early years of the initiative. More and more, policies have developed in favor of fostering opportunities for artists and creative individuals.

However, the overall picture has remained challenging. Hence, the activists still overtly criticize the authorities in their advocacy activities. A focal point is that, in their opinion, authorities still do not grant enough autonomy to the project. From their perspective, this is necessary if civil society initiatives are supposed to engage with public needs and to produce innovative approaches for societal challenges. In their opinion, these innovative ideas on behalf of solidarity often do not match with widespread tendencies of standardization and regulation. For their commitment, it is seen as discouraging to feel restricted by a high level of bureaucracy and demands from tax frameworks. The same

holds true if confronted with authority representatives highly convinced of their legitimate authority, displaying paternalistic attitudes. Over time, the activists managed to express their discontent repeatedly in manifestos and press releases as well in the continuous negotiations with city representatives. In 2015, they even enforced an immediate interruption of the planning process for the remaining buildings of the neighborhood as severe open questions concerning the future use and ownership of the project had not been solved yet. This assertive advocacy led to the appointment of three negotiation committees with city authorities of which two (resulting from disputes concerning the cooperative self-administration of the buildings and the operational concept for the sociocultural center) have been successfully concluded. In the eyes of an interviewee, this demonstrates the possibility to find good compromises between the city and the initiative which facilitate the implementation of visionary and alternative collective ideas within a framework acknowledged by the city. A third working committee, discussing the long-term autonomy and self-administration, is still in contested negotiations however expected to be equally concluded with an acceptable compromise in the near future. This illustrative excursion shows to what extent the advocacy component until today shapes the organization's work. As one interviewee puts it:

"Gängeviertel does not lose its ambition to have a transformative effect (...) It is important to consider that we always fight for the Gängeviertel but at the same time challenge politics in general and ask questions that are relevant to society. And that supplies us with support from critical minds."

3.3.2 Possible Future Challenges

Based on its self-understanding as grassroots initiative, Gängeviertel still does not seem to strive for strong organizational structures. However, from a perspective of organizational governance, this may lead to strategies and goals being dependent on the individuals participating. Gängeviertel activists consider this as major characteristic of their governance structures and appear convinced to run their organization with a minimum of hierarchy. However, it seems unclear whether this governance model is sustainable on a long-term basis when activities need to be further developed. This rejection of hierarchy and structured governance is probably a consequence of the organization's history of origins and therefore well understandable. However, it brings about the danger of dependency on interpersonal relationships and informal groupings where staff changes, and a loss of knowledge threaten further development and organizational success itself.

The organization itself feels challenged by legal restrictions which do not allow for grassroots democracy and demand a certain hierarchy and professional structure. Also, responsiveness and understanding of responsible authorities

does not seem to match well with the organization's specifics.

A third factor of challenges refers to the still existent threat of exploitation. The city's policy coalitions seem to have shifted during the years of institutionalization, now not only focusing on growth but also adding an agenda for social housing and redeveloping real estate policies. However, the creative city promoting creative talents and industries remains a main objective of urban development. In this environment, a possible need to adjust to these basically economic priorities might still endanger the project's more social orientation towards marketing usability instead. By now, however, the projects employ this trade-off in favor of its own bargaining power. Awards such as the UNESCO listing as a site of cultural diversity or the popular Lonely Planet listing among the top 10 'must see' locations in Hamburg further support the position of the initiative. Still, a possible need of economization in order to cover rents demanded by the city authorities may threaten the flexibility and innovative power of the project.

4. CONCLUSION

The case study shows that, even in a challenging environment, a cultural organization developing innovative approaches can be of major importance for the field of citizenship, social inclusion and community building. Therefore, the societal function of cultural TSOs should not be underestimated. Gängeviertel is innovative in its approach of combining cultural and social activities which previously have been treated separate-

ly from each other. Connected with a model of participative governance and a strong advocacy focus, these aspects have enabled Gängeviertel to develop as an important initiative in the city of Hamburg.

The activists united in Gängeviertel took the initiative to propose solutions to current social issues by joining collective efforts. As a consequence, the organi-

zation aims to resolve social problems with an inclusive approach that both takes into account the 'provider' and 'consumer' perspective. Despite the concerns mentioned above, Gängeviertel's strategy can be regarded as a successful path to increase the impact of TSOs in the field of Arts and Culture by innovative means: This counts both for the very development of the initiative, its stark expression of contributions to the society and especially the strong advocacy component it manages to uphold through a process of institutionalization, professionalization and partnership with city authorities. This advocacy focus makes the initiative attractive, important and authentic. It allows the Gängeviertel to give new meaning and drive to urban political protest. The continuous utilization of public attention and political aspirations makes the organization resilient in the field of arts and culture. Thereby, it overcomes traditional problems of socio-cultural institutions that are often challenged by sustaining a balance between their critical political characteristics and the dependence on state support. Gängeviertel turned out to be highly innovative when taking traditional means of political disputes to a new level by adjusting them to today's values and issues: The connection to discourses of creativity and openness to public welfare needs sets new stim-

uli which the public readily embraced, channeled into a political discourse and therefore supported the endurance and sustainability of the project.

Surely the case of Gängeviertel Hamburg raises the question of whether and to what extent this kind of innovative approach can be scaled-up or distributed to other fields different to the specific local context in which it was developed. For this concrete example, it seems that the main driver for innovation was taking into account the underlying societal discourses. These challenges are closely related to Gängeviertel's local environment which makes the organization special on the one hand. On the other hand, similar challenges and conflicts can be observed in many metropolitan areas all over the country and beyond.

Accordingly, this discourse is not restricted to the local context of Hamburg but can be found in a number of similar metropolitan areas. Hence, similar approaches might also be successful elsewhere. However, the success of an initiative as Gängeviertel heavily depends on a pro-active coalition which in this case resembled a wide group of not only artists, but also activists from different domains.

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UN GOÛT D'ILLUSION- MACADAM

1. ABSTRACT

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Un goût d'illusion is a collective interest cooperative organization (SCIC) with a commercial form (SARL) in the cultural sector aimed at supporting cultural and artistic projects in performing arts and at contributing to structuring the cultural sector. The adoption of such a cooperative status is very innovative in this field of activity. In 2012, there were forty SCIC in the cultural field in France (fifteen percent of the total number of SCIC) and more than half of them (twenty-three) were created between 2010 and 2012. This trend continued since there were more than 60 SCIC active in cultural activities in 2016. This makes up sixteen percent of the total number of SCIC.

Un goût d'illusion is a successful example of a support organization that helps to professionalize and to structure cultural organizations, which often lack administrative, managerial and strategic expertise. Indeed, in the cultural field, the very small size of cultural associations and their fragmentation on the territory have been identified as major barriers for the development of cultural TSO's. In addition, cultural actors have difficulties considering them to be «entrepreneurs», as small enterprises that have a strategic vision of their place in their environment and a capacity to

change scale. They are considered “illegitimate children”, neither recognized as economic actors nor as pure artists. Un goût d'illusion overcomes these barriers by experimenting an organizational innovation with the adoption of a SCIC.

The first association Illusion & Macadam decided to create a collective interest cooperative legal form in order to include the diversity of stakeholders' interests and issues at stake. The multi-stakeholder governance associated to this legal form facilitates the participation of their multiples stakeholders and formalize their partnership. Its emphasis on networks increases its capacity to adapt and anticipate changes in the environment and new opportunities. «The network is our trademark», declares the manager. They are open to new collaborations. Their success comes from their adjustment capacity and their reactivity.

They work as a hybrid production office, between an autonomous artist and a large production office while keeping a handcraft way of doing things, an innovative practice in itself in this activity field.

2. DESCRIPTION OF THE CASE

2.1 History and Development

This project started in Montpellier (Languedoc-Roussillon Region, South of France) with the creation of the association in 2000. «Illusion et Macadam» aimed at supporting cultural projects that were atomized and led by artists who became entrepreneurs despite them. It was created by two persons who met while studying at the University in Bordeaux. They shared the same observation that there was a need to link artists with enterprises in order to fight against precarity and insecurity as far as performances and other artistic activities are concerned.

The objective of the association was to mutualize competences, reduce insecurity of artists' employment and of projects and to support the necessary transformation of the sector towards a more entrepreneurial dimension.

The project was created under an associative legal form but since they reached the limits of this form, they decided to create a collective interest cooperative form in 2011, named «Un goût d'illusion». This new status was chosen to reinforce their collegial functioning, to make up for their lack of volunteers and to formalize their partnerships. Their wish is to become a kind of cooperative holding with the SCIC at its heart. The first association, Illusion & Macadam, still exists today and is useful for some specific tasks such as the creation and the advertisement of shows since it has the license needed to do so. However, the association is used less as the SCIC develops.

Today the organization has twenty-five employees, €584,000 in wage costs and €1.6 Million in turnover.

2.2 Legal and organizational form

As mentioned, the organization has existed as a SCIC since 2011. The SCIC has forty members, eighteen of whom are paid employees of the organization. (See below for the description of the governance structure.)

The organization is rather horizontal. There are a few intermediary executives. An administrative director has

been appointed for the first time eighteen months ago with the function to have a general overview of the organization, in relation with the growing diversification of the structure and its opening to new experimental grounds. Transversal functions such as marketing, communication, accounting, etc. have been reinforced

2.3 Organization chart and governance structure

The SCIC is built upon the following principles as formulated on their website:

- Reinforce their involvement into a Social and Solidarity Economy perspective
- Implement their collective interest

- and social utility dimension
- Question their project and be oriented into a prospective vision
- Involve cultural actors and users who are closed to the project and who contribute to make it live into more participative actions (co-building and co-decision)
- Develop a democratic management of the project
- Take an active part into the regional dynamics

The governance structure is the expression of these principles. The SCIC legal form requires the creation of at least three colleges that represent three types of stakeholders. It is a way to involve their partners, users and producers of their territory into the decision process of the organization. The three colleges of the governance structure of Un goût d'illusion are:

- The college of founders and paid workers (fifty percent of the votes),
- The college of co-producers of services (twenty-five percent of the votes),
- The college of users, activity fields and territories (local public authorities, users, representatives from research and engineering), (twenty-five percent of the votes).

This diversity of colleges expresses the willingness to associate all types of professions that are mobilized within the SCIC and all the stakeholders of the project. "An emphasis is given to participative governance as a strategic vision, even though it is not always efficient."

In addition, there is a general assembly and a board of directors constituted by the paid managers of the cooperative. A new strategic council has also been recently created to increase the mobilization of members and paid workers. Before each general assembly, they organize a seminar and working groups on different issues for the cooperative.

Governance issues have always been at the heart of the project. With the transformation into a SCIC, it was important to rethink the governance system and to take some distance from the utopian perspective of the SCIC. They realize that it was difficult to involve volunteers in the board when these volunteers were not directly concerned by the activities of the organization. They wished to increase the involvement of their partners (artists and territorial stakeholders) and to give a central role to employees who constitute the driving force of the organization. More than half of the employees are associates and the others are expected to become one sooner or later. "We look like a Scop (production and participative cooperative – worker cooperative). Associates are partners and are linked by the cooperative life. We moved from service provision logic to a partnership one." Most of the time, employees become associates after six months. The only formal condition required to become an associate is to have an employment contract with the SCIC. Moreover, a central role has been given to training on what a cooperative life means during the transformation process into a cooperative. "Within a SCIC, workers are the driving force as in a worker cooperative. However, it is more difficult to motivate beneficiaries, such as users of training who do not become members of the SCIC. Associates become our partners."

The workers of the cooperative have written and collectively approved an ethical charter that defines the fundamental principles and values shared by all the workers and the members of the cooperative. These principles concern firstly the respect of the person, of his/her competences and of his/her private life and the involvement in a participative dynamic based on an active citizenship. Secondly, there are principles concerning the structure

and the development of the cooperative. Participation and the aim to stabilize employment and provide career advancement opportunities are crucial principles. The third set of principles deals with their partnerships and their relation with their environment. The chart asserts their wish to take part to the Social and Solidarity economy's dynamics, to share the benefits of their activities on the basis of equitable criteria, to promote a vision of culture and art more in tune with our society and to act as an innovative and experimentation laboratory.

This organization structure has never been conceived as a pyramidal one but as a competence-based one with large

work autonomy inside. This autonomy at work is expected to generate synergies and economies of scale.

Leadership is two-headed: one head is the visionary and the strategist, supported by a strategic thinking group very active in the general assembly, the other head is the administrative and financial director, who possesses all the competences and expertise needed to be the day-to-day leader of the organization. Leadership is mostly based on a combination of competence and commitment with trust and autonomy and is supported by an administrative team and means.

2.4 Services provided by or activities of the TSO

The activities provided by the SCIC can be grouped into four poles: a support structure, training, innovation and production. The first pole concerns the support function to artists who want to develop their activity, projects or their structure in terms of administrative, engineering, development, human resources management, employment or accountancy. The second activity pole is aimed at training artists in different fields. The third pole is dedicated to innovation. Un goût d'illusion gives a lot of importance and resources to innovations in the artistic and cultural field. Last but not least, the fourth pole is constituted by an important production activity. The organization has just launched a new activity, the organization of a big

festival («Tropisme») to contribute to the organization of one cultural event and not to limit their action to a support relationship with their partners. There were approximately 7,000 people who attended the festival. Through this production pole, the SCIC considers to have contributed to the quality improvement of cultural production. From the beginning, the organization wanted to develop a large spectrum of complementary activities, which has been one factor of its success. The organization has grown in stages along with the opportunities that came up.

The organization is structured in 6 divisions:

- Bipolar, bureau of production of arts, science and technologies, dedicated to digital arts. It supports artists who have associating digital media and contemporary creation within a prospective vision of the art: evolution of plastic and scenic forms, creation tools, and innovative ways of writing in common. It gives support to young as well as to experienced artists to develop and distribute their projects, in France and at an international level. In addition to their work towards artistic teams, Bipolar also provides expertise to institutions and enterprises that

wish to implement these “new media” during some particular projects or events.

- Project support such as counseling and administrative or accountancy support for some transactions such as pay slips or balance sheets. They also mobilize public support schemes for their members to reinforce counseling in organizational, financial and governance issues. They also support startups in the creation field and in creative industries, focusing on social and technological innovations (through a program called Somophore). They collaborate with Kisskissbankbank (a crowd funding platform) to facilitate access to funding and to improve the knowledge about cultural projects on the territory.
- Vocational training organized by small units to facilitate their access and set to meet territorial needs. Some programs are related to digital techniques, considered vital for the organization (such as creation 2.0).
- SMartFr, a production cooperative of artistic and cultural projects at the national level with a branch in Montpellier. SMartFr provides a set of solutions, of management services and of production of cultural and artistic activities. SMartFr takes into account all the innovative models and tries to answer to local needs. SMartFr helps artists to lighten administrative burden and to focus on the job: creation, artistic and professional activity. They also propose a legal counseling service, some financial guarantee, a complete insurance coverage and a mobile office to promote greater access on the territory.
- The organization of festivals: The Tropisme Festival, first created in the spring of 2014 in Montpellier, has organized its third edition. The festival is dedicated to creation issues and thinking in the era of digital development. It is launched by Illusion & Macadam, strengthening its position on digital arts. It is developed in partnership with La Panacée, a contemporary cultural center in Montpellier. In the future, exhibitions, interactive installations, concerts, performances, conferences, workshops, among others, will be organized at La Panacée or in some other cultural places in the area. Tropisme gives the opportunity to children and to adults, to amateurs and to professionals to ease their access and use of digital tools that are part of their environment.
- Performance production office dedicated to dance with the help of two artists and an events’ production office that supports a specific project called Zat, which works on contemporary creation with the public space through new modes of writing of urban arts within a participative process.

2.5 Finance

There is a large diversity of financial resources coming from a plurality of funders. Seventy percent of their budget are composed by market resources coming from their production and support services such as production help and from public contracts answers to

tendering processes. Public subsidies represent seventeen percent of their budget and employment subsidies twelve. Their budget has evolved in the sense that public funds are more concentrated on fewer projects and sponsorship has increased. The largest part

of their resources comes from fees. They also receive some sponsorship. Public markets represent fifty percent of their turnover. Projects are gaining importance within the budget. They adopt a productive logic: they firstly need to find funds, otherwise they do not develop the project. Wages are around 56% of their costs.

Their market resources are coming from different activities: vocational training (twenty percent), counseling and social

secretariat (twenty-two percent), Bipolar production office and the Tropisme Festival (seventeen percent), production technical office (twenty-two percent), mediation office (twenty-three percent).

One challenge related to the change of scale is to develop competences to support this change, in particular at the financial level to secure the viability of the project.

2.6 Human resources management

The SCIC has forty members, eighteen of whom are paid workers of the organization. There are twenty-five employees in the cooperative (twenty-three full-time equivalents: ten long-term contracts, eight short-term contracts and five temporary show business workers). They have the possibility to welcome up to 180 temporary workers per year.

Volunteer work is not at the core of the organization. This limited place given to volunteering is one of the reasons why they have adopted a cooperative legal form. There are very few trainees as well.

Human resources management is under the responsibility of the manager. Objectives are defined in relation with the projects and in budgetary terms (including the necessity to cover collective functioning costs). Objectives are not individually assigned and there are very few quantitative ones. Recruitment follows the necessity of the projects.

There is a formalized recruitment process. The manager decides at the end of the process. A new employee cannot directly become a member of the cooperative, but he/she has the possibility to become one later.

The willingness to formalize processes is mostly coming from the training for social and solidarity directors at Coeptis (school of social and solidarity entrepreneurship in Montpellier) attended by the manager of the SCIC. This training was the opportunity to question the direction function and to evaluate the cooperative life within the organization more than to learn how to improve performance. This training helped also to design internal structures and instruments adapted to the objectives of the organization, such as the creation of a kind of staff delegation composed by 4 persons whose objective is to organize the work and the day-to-day life with the aim to improve quality of life at work.

3. DISCUSSION AND IDENTIFICATION OF THE ORGANIZATION'S STRATEGY

Un goût d'illusion is an interesting example of an organization that has built its development strategy on networks and partnerships at the territorial level while diversifying its activities and financial resources. In addition to these strategies, the strength and originality of this initiative lies in the importance given to their multi-stakeholder and democratic governance that integrates territorial partners (including co-producers of their services), users (mainly artists or small cultural enterprises) and employees. In a nutshell, it is an associa-

tion that wanted to strengthen its social utility on the territory and to meet this objective, chose to adopt a collective interest cooperative form with a strong "workers' cooperative" component, if you consider the large decision power given to employees in the governance structure. It is a good illustration of a cooperative dynamic inside the organization as well as outside it, once you consider its strong commitment to the local community and its embeddedness into the territory.

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LES TÊTES DE L'ART (TDA)

For this case study, we interviewed the director of the TDA, an employee who is responsible for the support pillar of the association, and the president of the board of directors.

1. ABSTRACT

The TDA is one of the cultural third sector organizations that has moved from a classical artistic production (such as performing arts, visual arts, media, literature, etc.) to the development of cultural or creative projects with a stronger public welfare dimension, such as urban development projects, popular education, social inclusion, empowerment and participative projects. Through these projects, it has developed an advocacy aim with regard to citizenship, democratization and participation within the public arena.

This association is therefore innovative and unique in promoting a new vision of arts and culture. Even more unique is its combination of several cultural activities which are usually separated. It is a true multidisciplinary and partnership project with a strong public welfare dimension. The members seek to promote a new vision of arts and culture with a new relationship to society. The art has to be a vector of social transformation, a vector of citizenship. To make people meet and collaborate is at the heart of their mission. The association has created different projects of "participative arts," such as a participative television channel or a project to develop creative actions in deprived urban areas in partnership with urban public policies. A participative television is aimed

at co-building films with inhabitants of a poor neighborhood (or with women from a social center) to create a fiction together. The objective is to build a collective voice and recognize the creative potential of groups of persons who usually do not express themselves.

Moreover, we consider the TDA to be a "success story" in particular for their views on participative governance within the organization. In particular, our study highlights that governance issues are perceived as an important barrier for the survival and the development of third sector organizations (TSOs) and in particular in the cultural field. First, associations rely on a "two-headed" governance structure characterized by the interaction between the volunteer president of the board and the paid director. Second, this interaction does not work efficiently everywhere. It is not easy to implement participative governance in cultural activities, because artists often work independently. Last but not least, as in most associations, one major stake was to put in place a "competence-based" governance structure instead of a board composed by friends or relatives, which we could consider to be a "compliance" governance structure

For the members of the TDA, given that their association wants to promote a

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new type of arts, “participative arts”, they need to be participative internally as well. Starting from this rather trivial observation, real effort has been put into deeply transforming the organization, its governance and its human resources management. Different tools have been designed and successfully implemented. Globally, their participa-

tive and organizational learning process caught our attention. Their capacity to put their actions into perspective, their risk-taking while testing emerging models and designs and their search behavior are all important factors which can explain their “success”. The association is seen as a “laboratory”.

2. DESCRIPTION OF THE CASE

2.1 History and Development

The TDA association was created in 1996 by three friends from the performing arts sector. They aimed to create a structure to develop their own performance activities and to organize artistic and cultural classes as well as overnight holiday camps for children. They wanted to build a bridge between cultural and artistic activities and socio-cultural activities organized by youth or community centers. A board of directors composed of a group of friends was constituted. At that time, no one was speaking about «artistic mediation». It took time for the organization to outline what they were doing.

The TDA achieved its current structure gradually. During the first five years, the association could be characterized as an association of friends who shared a common project (emergence stage). From 2000 to 2008, the association aroused interest among artists and socio-cultural organizations and developed its activities but neither in a structured nor strategic way. It was more based on intuition and personal relationships. In 2008, the director decided to initiate various changes within the association (professionalization stage). From 2008 to 2012, it was a phase of “major construction work” within the association (maturity stage). These changes towards more structuration were necessary given their development trend. To conduct these changes,

the TDA was supported by different public instruments and policies, in particular local support schemes for associations (dispositif local d’accompagnement) or urban development policies (politique de la ville.) Additionally, the fact that the director obtained master’s degree in the social economy field helped.

Six working fields were identified by the board and established during the maturity stage:

- Working on the associative project and its implementation
- Revision of the economic model of the association
- Restructuration and consolidation of the paid workers’ team
- Adoption and implementation of a training and educational scheme
- Work on external communication tools and action
- Re-organization of the premises and workspace, adaptation of equipment and software tools to improve effectiveness and productivity.

One major “building site” concerned the governance system of the organization (see below).

Today, the TDA is experiencing a stage of stabilization and consolidation. It can be defined as follows:

“an artistic mediation association that is an interface giving technical guidance for artistic and collective participatory project management, with complementary activities of networking and pooling/sharing of resources. From the start, we have always meant to make art accessible to all, standing at the crossroads between culture, informal education and social economy. Our vision of culture is one of making “with” rather than “for” people, and our action can be divided into three transversal

types: a multidisciplinary approach, a trans-sector action, and acting from the local to the international level.”⁵³

Even at this stage, however, the director considers the association a “laboratory”. Members of the association are continuously searching for the more appropriated model. They are always experimenting and testing new ideas at the internal and external level. They are in a process of “research-action”.

2.2 Legal and organizational form

The TDA is an association according to the 1901 Law on Associations. It is a non-profit organization with a democratic governance structure (see below).

The organization is structured around two main activities:

- The development and engineering of participatory art projects, aimed at developing collective projects that involve artists and communities into a collective artistic creation project,
- The engineering and mutualisation platform, in order to pool and share practices as well as competences, material and technical resources.

2.3 Organization chart and governance structure

The organization, which is at the crossroad of culture, informal education and social and solidarity economy, offers a large spectrum of activities that all respect four fundamental principles:

These principles influence their governance methods and structure as well. The association is directed by a general assembly from which a board of directors is elected.

- To support in an empowerment perspective without “assisting”
- To involve the project beneficiaries
- To give priority to local actions or projects
- To match associative ethics with professionalism

Governance is a major issue for the organization. As mentioned above, it has been one major “building site”. During the first years of the TDA, the board was composed of friends of the founders. After the development of their activities and the clarification of their mission, the

⁵³ Extract from a working document entitled « Enjeux et pratiques de l’ESS », presented by TDA’s director at the CRESS Board of Directors (17.02.2014).



director has started to think about how to implement a more participative governance. The principle was simple. Since their aim was to create participation in cultural and artistic projects, it was important to foster participation inside the organization as well.

From that stage, there has been a lot of thinking and debates within the organization. They developed a real strategy of recruitment of the directors from the board. They changed their vision of the board from that of a “compliance” to “competence-oriented” board. Moreover, they decided to renew one third of the board every three years. They also strengthened their “proximity” or local anchorage because half of the directors from the board living in the area.

The organization also has a director who works cooperatively with the president of the board.

The director describes himself as a “professional militant.” His idea is to be militant, you need to be professional. The director has experienced a diversity of functions within the organization (he was a co-founder and artistic director before), which gives him legitimacy and facilitates his position as leader.

To govern and manage the organization, the director insists that you need

to have both a strategic vision of the organization and a transversal vision. These do not need to be highly technical, although you need to build these visions with some people with high technical skills.

According to the employee we met, the vision of the organization at the strategic (political) and managerial level is quite clear, which gives the staff the willingness to get involved in a common project.

In addition to this board strategy, the organization has experimented and adopted several managerial instruments to foster participative governance within the organization.

One innovative practice is to create a relationship between each employee with one member of the board. Each employee can choose one board member to be his/her referent to increase dialogue and informational exchange between the board and the paid staff. Note also that the annual interview is conducted for each employee by the director and by two members of the board of directors.

There is also a lot of information transmitted between the staff and the board. The general idea is that the project of the association has to be a collective one and that everyone (from the board

of director and from the staff) has to be involved. This is what they are trying to achieve and it is becoming more and more collective.

Globally, the TDA has elaborated and implemented a participative methodology based on five key principles.

Transparency of information

the association has introduced several periods and tools to inform both internal and external stakeholders in addition to the formal associative meetings (general assembly and four to five board meetings per year); for instance, one monthly meeting with all the employees' teams; transparency is needed to create trust and foster participation;

Sharing resources and practices

through the co-building and animation of a network and through the creation of a resource pooling platform. The aim is to create a "community";

Co-construction of collective projects

work commissions are organized when needed in order to be able to work collectively and to debate on different issues;

Involvement and decision-making

the aim is to incorporate both employees and artists in the decision-making

process through annual meetings of artists, strategic consultation/dialogue meetings with employees and associative formal meetings. An artists' committee has been created which uses the services, but artists do not actively take part in this committee. No permanent worker is at the animation of this group. Another instrument has to be established for this purpose;

Skill development

providing time to everybody is important in order for them to learn, progress their skills and knowledge and become more professional. Therefore, different management tools have been elaborated: evaluation schemes (intermediary and final), internal mutual training, a training plan and collective arenas for debates and an annual seminar. The annual individual assessment raises four questions: how do I feel about my function in the association, about my colleagues, about the association and about my environment. Quantitative objectives are defined collectively. Individual objectives can be fixed by every paid worker in accordance with the board of directors as well. The rewards are only collectively not individually, such as an egalitarian profit-sharing scheme (convention d'intéressement égalitaire).

2.4 Services and/or activities provided by the TDA

Activities of the TDA are of two different types: participative art projects and engineering and mutualisation platform.

Participative art projects are aimed at giving all citizens the opportunity to participate in an artistic creation process with professional artists. The objective is to organize artistic projects that are a vector for citizenship and social

transformation. At the same time, the association is keen to develop projects of high quality. Several projects have been carried out with the participation of professional artists and different groups and in partnership with schools, social and educative structures and urban policy representatives. Activities such as theater, video or photography workshops have been set up.

“Place à l’Art” is an example of participative project developed by TDA and presented on their website⁵⁴

“Place à l’Art” is a project that aims to rethink modes of artistic intervention for the people involved both in our collaboration methods and in the development of cultural activities. It positions the artist at the heart of the city and the public debate. “Place à l’Art” contributes to invent propositions and interventions in the public space with our local community with three types of actions:

-
- “in situ” creations by artists, echoing the specificity of the squares and other spaces they work in;
- artistic participatory workshops involving the population;
- mediation activities towards the population in order to establish a better acceptance of projects affecting their lives and in order to better the consultation on these projects.

Another interesting and successful example is the creation of a local participative television channel that includes three neighborhoods of Marseille (“La

TV du 3ème”). Its objective is to produce a diverse assortment of programs with the inhabitants of this neighborhood (fiction, films, portraits, animated movies, etc.).

Their second major activity concerns the support of artists and the development of networks and exchanges practices between artists. To do so, they propose individual or collective sessions and manage a mutualisation plate-form for material accessible at a lower price. The TDA works in partnership with Smart Marseille, a collective cooperative of artists aimed at supporting and fostering the development and the management of cultural projects.

In 2014, the TDA has supported more than seventy projects on an individual basis for approximately 3,000 beneficiaries, of whom 1,300 are from the region. Around 150 organizations participated in their collective sessions. In 2014, the TDA counted 129 members including individuals and organizations (social, educational and cultural).

2.5 Finances

Diversification of financial resources is considered a main strategy to maintain the project’s political and artistic autonomy. Their financial resources originate from three sources: public funds from different public authorities, self-financing resources and some sponsoring. The association is separated into two pillars. First, the artistic and participative project pillar, generates revenues from its activities in order to finance wages. Secondly, a resource-pooling and support pillar responds to a real need of cultural organizations. However, this pillar still depends on public subsidies. Self-fi-

ancing is around 50 per cent of their budget.

As far as funding is concerned, there is the need to build up trust with their “funders” (public or private). Trust emerges through a constant and transparent dialogue (which is time-consuming but worthy).

In 2014, the total revenue of the association was approximately €600,000. The TDA budget was constituted as follows: 44 percent of self-financing resources, 45 percent of public grants, 10 percent of funds coming from private funders

⁵⁴ <http://www.lestetesdelart.fr/-60-Place-a-l-Art-English->

and 1 percent of membership fees. The strategy of the association is to increase

the proportion of self-financing resources in a context of cuts in public grants.

2.6 Human resources

Today, the TDA employs twelve people. The staff has doubled in the last three years, presents a real issue in terms of structuration, training and transmission. There has been an important turnover. One reason for this is that public subsidies pay the minimum wage and not above. All the subsidized jobs, however, have been transformed into long-term contracts.

Human resources management is characterized by participation, autonomy and transparency as described above.

There are very few “operational” volunteers helping the TDA in their activities, except for some specific events organized by the association. However, volunteers from the board are an essential part for the organization. They play a crucial role, as developed below.

3. DISCUSSION AND IDENTIFICATION OF THE ORGANIZATION’S STRATEGY

The main strategy of the organization can be identified as an “in and out” participation strategy which makes it unique in the cultural field. This strategy includes internal participation and democratic governance, coupled with a pro-active networking and partnership strategy at both territorial and international level. Most of the time, artists are individuals who develop their own project, without collective strategy. Participation is not innovative per se; the way it is implemented and combined with other activities, however, makes the project original and unique. Most of the actions are multi-disciplinary and based on partnerships with schools, with local public agencies, with artists etc.

The overall participative and experimental methodology is indeed one of the most innovative features of the organization. The managerial philosophy relies on values such as participation, autonomy, citizenship, transparency and cooperation. In particular, as stated by the

director: “Today, we are convinced that the deep reforms undertaken in our governance methods have played a critical part in our development. We have not only gained recognition from our institutions and our partners, this recognition is also and above all coming from the members of our association and the people living in our territory” (Sam Khe-bizi interview 2014).

The TDA has positioned itself at both regional and international levels to increase visibility and knowledge, to exchange practices, to develop new ideas (such as to learn about the Goteo open source crowd funding platform in Spain) and to promote their vision of participatory art. At the regional level, the TDA is a member of several networks⁵⁵, and is one of the few cultural organizations which became member of the regional consular chamber dedicated to the Social and Solidarity Economy (Chambre de l’économie sociale et solidaire- CRESS). Moreover, the TDA is at the initiative to



create a network on cultural third sector organizations at the territorial level. They have organized several territorial meetings to foster cooperation between the organizations. At the international level, one must mention the partnership with the European Cultural Foundation. The TDA has been selected by the Foundation to organize an international seminar on the role of culture in democratic practices across Europe (within the frame of the Connecting Culture, Communities and Democracy program of the Foundation). Their experience highlights that it is possible to grow without preventing others from doing the same.

Networking is therefore a central strategy for the TDA. In addition, at their

stage of development, the TDA has started to capitalize and diffuse its participative methods and vision of art through articles and the setup of different working seminars or events. They raise the question of how to diffuse and transmit outside the organization what they have learnt at the internal level in terms of associative governance, human resources management, economic model and territorial positioning. One major barrier indeed concerns the recognition and the evaluation of the value of participative art. It is difficult to measure their impact and it is still difficult to communicate about such a complex and multidimensional project. There is a need to reinforce the visibility and legitimacy of this type of project that builds

⁵⁵ The TDA is a member of RAMSES, CRESS, FSPVA, COFAC, ...

bridges between usually segmented activity fields like culture, informal education, citizenship promotion and community development.

The TDA also wishes to have a political role. The aim of the support pillar is to promote change at the third sector level. They pursue an advocacy aim toward more co-building of public policy, democratization and citizen participation.

The lack of visibility and recognition may explain why securing financial resources is an important issue for the organization despite the large portion of self-financing. Increasing the legitimacy of the TDA in support activities would help as well. To consolidate the project, there is a need to reinforce the commercial activity of the association: selling material and immaterial services or knowledge.

A third important barrier lies in the difficulty to engage with the users of the project, both the artists and inhabitants. Some experiences have been successfully launched, but there is room to find other participative tools.

The TDA is at a particular stage of the life cycle of the organization, the one of consolidation of their model (in terms of financing sources but also in terms of legitimacy), of capitalization of their cumulated know-how and knowledge and of improvement of the working conditions, particular the wage level. The director is hoping to take a kind of "sabbatical" year to be take some distance from the project for 1a while. It is also the stage of increasing coherence between all the tools implemented during the last years and increasing effectiveness by building on internal competences.

The TDA may continue its growth path with the willingness to show that it is possible to grow without killing the others, by developing resources pooling and cooperative practices. The TDA is planning to take an active part in building bridges between cultural and artistic associations and the rest of the third sector, in promoting the co-production of cultural and artistic public policies and in contributing to citizen participation and community development.

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EDUCULT

A SERVICE ORIENTED ORGANIZATION IN THE FIELD OF ARTS AND CULTURE

1. ABSTRACT

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EDUCULT is an independent, European association located in the Museums Quartier Vienna, where about 60 other cultural organizations, including big and small organizations and private businesses, have their headquarters. EDUCULT is a reliable partner in the domains of culture, education and policy and offers applied research and professional project management services. The non-profit status of the association is based on the specific approach to arts, culture and education. The organization uses experiences from cooperation and competition for organizational devel-

opment and is continuously aware of changing market conditions. The participative management of the deliberate smaller organization ensures the high adaptability and connectivity by including employees in decision-making. Identity and self-confidence arise from necessary team discussions consolidating a common core of settings that enable a beneficial handling of incurring external influences. Conscious decisions were made against the usage of volunteers or donations, as the efforts of an appropriate management would exceed the benefits.

DESCRIPTION OF EDUCULT

After 17 years of leading the Austrian Institution for Cultural Services (ÖKS), Dr. Michael Wimmer set up EDUCULT as an association for “thinking and acting in the cultural field” in 2003 and has led the organization as managing director ever since.

“There was the idea to found an initiative, although we did not know what the core business would be. [...] The first steps of the enterprise were to explore, who would need me and my experience and how to gradually transform this knowledge into a product.” (interview 1)

The fundamental idea of the founder was to form an initiative that engages in cultural policy and to utilize his personal experience and networks in the field. Thus, the first projects of EDUCULT included a very important searching process to define the profile of the organization.

“Our profile organically developed, we had to find out, what others would need and if there was a market, where we could participate [...]. At the start, there was no set of activities including a business plan [...]. The differentiation of our profile was the result of the developments.” (interview 1)

The available contacts and networks provided a local, accessible infrastructure for the first two years. The support was not only of financial nature aimed at reducing starting problems, it provided mental and emotional assistance as well.

“The existence of available structures, we were able to utilize for first steps, was an important precondition. It relieved parts of our worries, how to finance it, as well

as on a mental, emotional level, it makes sense what you are doing.” (interview 1)

By organizing the International Conference for Cultural Policy Research Network (ICCPN) in 2006, EDUCULT positioned itself in the cultural policy field as professional player. Many follow-up projects ensured a successful start of the organization. EDUCULT moved into the Museums Quartier in 2006 and built up a valuable and local network of potential cooperation partners with resident institutions. This was emphasized by employees:

“Our network is very, very important to us. We try to foster the exchange.” (interview 2)

“If you manage to establish cooperation, to sharpen your own profile in the process and you still know who you are and what you are capable to offer others (then you are successful). Our environment has had a crucial part in it from the beginning.” (interview 1)

At present, EDUCULT has eight employees with different settings of priorities. There is a managing director, a person for office management and controlling, two employees for project management and PR, as well as four researchers with variations in their content orientation. The employees form an interdisciplinary team with various skills. Relations to an international network of experts supplement the local abilities of EDUCULT.

The services offered can be divided in three sections: research & evaluation, project management, and consultancy. EDUCULT emphasizes active participation of their partners in cooperating projects in order to provide a develop-

ment process on equal footing. Their competencies cover a wide range of services, including several methods of applied social science, evaluation of projects and programs, evidence-based strategy development, audience research, planning and organization of projects and events as well as consultancy in the development of applications. The organization already supported several projects, i.e. “living::sounds – living::moves”, “work::sounds”, “Sag’s multi!” or Summer School Vienna, ranging from theatre, music and art conveyance, speech contests and education in cooperation with private and public organizations.

In 2014, EDUCULT assets amounted to 82,022.39€ with a net profit of 27,259.60€. There are no subsidies or donations, therefore EDUCULT’s financial structure is exclusively based on service contracts. During the initial phase, contracting authorities, e.g. BMUKK, and to a minor extent libraries and adult education centers were the primary clients. Austria lacks a funding structure in this special field, therefore the organi-

zation had to react to market trends.

“There is no market, it is a proto market. There are many individual relations, informal reputation is important. Of course, in evidence of corresponding reference activities. We had to take part in the development of a market and create the market we planned to benefit from. Regarding our current activities, there is only a limited market in Austria. (interview 1)

Although EDUCULT and the project ideas are unique in Austria, there was a shift to the German market. For three years, the organization performed the major share of activities for German partners. The main reason for this decision is the profound financial infrastructure in Germany in form of foundations and the German culture ministry. At present there are several institutions, including private for-profit organizations, demanding the services of EDUCULT, which is known as a professional partner in cultural and educational policy.

OPENING THE LETTER TO SUCCESS

Know your strengths and weaknesses

The possibilities for NPOs to participate in public procurement contracts are unequally distributed, discriminating specifically against smaller NPOs, which in their majority do not benefit from performance contracts. (Schneider/Haider 2009).

EDUCULT faces competition from different organizations in some areas of its activities. Regarding research projects, mostly universities act as competitors, since they are depending on third-party funds as well. Unlike universities, EDUCULT does not have a big in-

frastructure, hence they need to plan participation in tenders more carefully and sometimes have refused to take part.

“We experience disadvantages in competition with academic institutions, which are reliant on external funds and simultaneous, they are able to utilize their existing infrastructures for preparing proposals [...]. If they do not receive those external funds [...] it is not a big loss [...]. We do not have such a financial basic set [...]. Therefore, we

try to cooperate with universities instead.” (interview 1)

Coopetition is a crucial part of EDUCULT’s strategy. In general, coopetition describes the situation of two players facing competition in some activities, e.g. services, and cooperation in others, e.g. research. EDUCULT uses interactions with organizations for organizational learning, based on the organization’s philosophy that your biggest competitor could possibly be a big advisor. Therefore, the organization has to be self-confident in order to not lose its identity.

“I believe in openness for cooperation, as you will get more in return than it takes from you [...]. It reflects an attitude, we know what we can achieve and that we do cannot be replaced by another organization [...]. There is a solid base for cooperation, if there are common concerns uniting rather than separating you [...].” (interview 1)

EDUCULT is currently working to increase its connectivity to new fields such as economic and social policy. In order to find cooperation partners for projects, it is essential to create benefits on both sides, which can be achieved by negotiations on equal terms. Although the team critically questions cooperation with for-profit organizations in some cases, the importance of being able to act in border areas will rise even more in the future according to EDUCULT.

“Our future depends on us being able to do open dialogues depends on us being able for open dialogues with other segments. Therefore, we need to understand the language of social- and economic policy to develop acceptable offers [...]. Our success comes down to whether we are able to put our idea across [...] and



create benefits. The cross-over dimension will become more important.” (interview 1)

EDUCULT’s flexibility to modify their own activities stems from two different features. First, the network and the collaboration with different actors provide the organization with many ideas for new projects. Discussions and the exchange of ideas generate mutual support and are the basis for cooperation.

“Most projects are based on more general ideas [...]. Therefore, we often stand alone with particular project ideas.” (interview 3)

There is less competition for such emerged project ideas, therefore sponsors are found more easily. Second, the interdisciplinary team of EDUCULT is used to participate in decisions. They are able to supplement the activities of the organization with their own interests, experience and expertise. Since a rigid set of services does not exist, the organization benefits from the suggestions of the employees. As a result, the organization is very flexible and dynamic and is able to react to developments in demand appropriately.

Participative employees are valuable employees

The founder did not design EDUCULT on the drawing board, but did allow developments to take place. Changes regarding services as well as personnel were depending on the prevailing market trends and available skill sets of the employees, thus the organization incorporated new services and contents. Whereas personnel decisions were more uncertain at the start, the organization has an explicit profile now and therefore better decisions can be made.

“EDUCULT pursue a participatory approach [...]. There are many discussions, we have periodic team meetings and regular meetings within the different professional fields of our organization [...]. Ultimately, we do have a managing director for final decisions.” (interview 2)

EDUCULT shows a flat hierarchy, apart from the managing director, the team members are in equal positions. Projects usually have a project leader, but this role alternates between the employees depending on interests, time availability and special knowledge of team members. Decisions are generally made collectively, although the managing director is responsible for the ultimate decision-making in situations of disagreement. Employees discuss important topics in team discussions and meetings. Since the managing director emphasizes the participation of his employees, the team even makes personnel decisions. This participative management enables employees to contribute their own ideas and interests, which is also enabling to incorporate new projects and activities.

“Important decisions [...] are made as a team [...]. We depend on the know how of everyone [...]. We do appreciate new colleagues contributing their particular expertise.” (interview 1)

The organization is able to establish high participation amongst employees without hierarchical structures due to the smaller size of the organization, since more informal communication processes can take part easily. Therefore, the organization does not plan to expand right now, because they do not want to lose their flexibility and freedom provided by fewer employees. Furthermore, decisions made collectively are more likely to be carried out by the employees. This was already shown when personnel shortages due to maternity protection complicated the daily routine.

Discussions are perceived as necessary in order to form a common core of settings, which roots employees in the organization and the organization itself in the field. Therefore, employees of EDUCULT work enthusiastically and committed, which is obvious for clients and partners.

“We are very passionate about our aims [...]. We are inclined to work more and show engagement. Clients sense our interest and curiosity. Surely, we do need know how and experience, but our attitude is the biggest distinguishing feature.” (interview 2)

No need for philanthropy and altruism

Primarily difficulties for NPOs arise regarding access to financial resources. In general, there is a financial planning uncertainty for NPOs in Austria due to a lack of subsidies. A study regarding donation behavior in 2008 shows that the field of arts and culture can only attract few donators (Neumayr/Schober 2009). EDUCULT does not benefit from any form of donations, since the organization perceives itself as a provider of professional services and neglects to incorporate such financial resources. Therefore, the expenses of a project are usually planned in a cost-covering mode, which also allows participating in tenders. Furthermore, it would be very difficult to gain donors in this field at all. Therefore, a necessary donation marketing would not outweigh its costs, but the organization is able to benefit indirectly from donations as some of its clients receive those.

“We had a big discussion about donations and refused to establish them. There are two reasons, first, we are a professional provider of activities that need to be settled cost-covering. Why should someone be willing to support this [...]? Second, [...] donations require resources, as there is a need for a professional marketing [...]. The idea to act as a charity organization was not very appealing to us.” (interview 1)

The longest projects of EDUCULT have a period of two years, whereas most projects average 6 – 8 months. As a result, there is a planning uncertainty especial-

ly for smaller organizations. Successful and proactive planning is mandatory to overcome phases of financial insecurity. The problems in terms of employment and volunteering were examined more closely in a study, showing that precarious financial situations of NPOs potentially create precarious employment situations (More-Hollerweger/Hora 2014; Simsa 2013a; Simsa 2013b).

“We do have shorter and longer internships from time to time, but trainees usually receive compensation [...]. There are no volunteers. No [...], because we think work should be remunerated [...]. This was a conscious decision.” (interview 2)

EDUCULT refuses to incorporate volunteers, because work should be paid. In order to appropriately integrate volunteers, there is a need for volunteer management demanding time resources. As an alternative, the organization offers paid internships for supporting certain projects and contracts for work for smaller tasks, such as transcribing. Sometimes those temporary jobs become permanent positions in the organization, as EDUCULT recruits suitable, prospective employees following a project carried out.

“We have had trainees, paid and unpaid. There were concerns about our limited time resources and time needed for serious support of trainees [...].” (interview 1)

Don't guess who's next

For smaller NPOs it is often not possible to spend resources on succession plan-

ning, which is specifically problematic as they often highly depend on their

leaders, on their personal commitment and on their unique skills. (Froehlich et al. 2011)

“The overall development of the organization depends on myself a lot, what gets us into a predicament. In times of transition someone has to follow in my footsteps.” (interview 1)

The managing director is the pivotal point of EDUCULT due to his personal knowledge and networks. Therefore, succession planning is crucial for the organization. Although the managing director will carry out his position for some more years, his succession is already discussed in the organization and all team members are looking for potential successors.

“A lot of the organization’s expertise is attached to his name. He is

the founder, longest serving employee, has incredible experience and a reliable network. Therefore, he is the pivotal point of EDUCULT.” (interview 2)

There was an attempt to foster an employee to fit this role, but the demands for the position were too high. A successor has to have experience and social networks in the field, and he or she has to be able to work with a dynamic team. Although no solution for this problem has been found, the organizational communication process keeps the topic discussed. The open discussion on this topic limits the amount of uncertainty of the employees and therefore minimizes the disturbance of the routine operation until the organization finds an appropriate successor.

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BIOPARADEIS

A GRASSROOTS INITIATIVE FOR AN ALTERNATIVE SYSTEM OF FOOD PROVISION

ABSTRACT

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Bioparadeis is an Austrian FoodCoop in which the members collectively organize the direct procurement of their food from local farmers. Built up by a small group of students as a first initiative of this sort in Austria, Bioparadeis not only delivers a distinctive service for its members, but also generates social capital within the group of members thanks to the experimentation with grassroots democracy and constant work on group dynamics and community building. Due to these added cooperative membership values, Bioparadeis grew quickly

and still enjoys a continuously strong interest of potential new members as well as ongoing commitment and motivation of current members. A core factor of the success of Bioparadeis was the process of finding a healthy path of growth. The founding members of the cooperative understood that “small is beautiful” and that small is necessary in order to preserve their organizational culture. Instead of expanding Bioparadeis, an intensively cooperating and still growing network of FoodCoops was established in Austria.

FOODCOOPS - GRASSROOTS INITIATIVES FOR AN ALTERNATIVE SYSTEM OF FOOD PROVISION

A FoodCoop (or Food Cooperative) is an association of persons or households who organize themselves to procure organic, seasonal and regional products directly from local farms and producers. With their activities FoodCoops express their critique of the dominant conventional agri-food system, characterized by non-sustainable industrial farming, exploitation of natural and human resources, ecological destruction, endangerment of farmers' livelihood as well as by ongoing trends towards globalization and market concentration on transnational food corporations and retail chains.

In Austria, collectively purchasing groups are a phenomenon that emerged approximately ten years ago. The term “FoodCoop” is used for small-scale initiatives, which require membership, where the members do the work in the cooperative voluntarily and where procured products are only distributed among its members. Due to their self-organized and collective endeavor to build an alternative form of food provision, the activities of FoodCoop-members can be regarded as civic engagement.

DESCRIPTION OF BIOPARADEIS



Bioparadeis was the first Austrian FoodCoop. It was founded in 2006 by a group of 10 to 15 students in Vienna who had learned about the idea of food cooperatives from German friends. Inspired by the German example but without any prior knowledge or experience in self-organization, the group of students registered Bioparadeis as “Association for the Promotion of Organic Farming and Regional Networks” in the following year. The name Bioparadeis itself refers to a wordplay on the words “biological”, “paradise” and the Austrian term “Paradeiser” for tomato.

Bioparadeis has chosen the legal form of an association because of their nonprofit nature and because of the relatively low financial and administrative costs associations face in Austria. The bylaws of the association can be found on the home-

page bioparadeis.org. There, Bioparadeis’ mission is defined as: “(1) Protection of the environment from damage caused by non-sustainable agriculture and by the international distribution and transport of food, (2) Promotion of the overall consciousness regarding the environment, health and nutrition.”

Core principles of the cooperative are its grassroots democratic structures. The FoodCoop is non-hierarchical, self-organized and collectively owned by its members. There are no leadership personalities or official spokespersons and decisions are made collectively at a monthly plenum or at the periodical general meetings. In compliance with the legal framework for associations in Austria, a statutory body consisting of a board, accountant, secretary and treasurer was nominated, however members assume these positions as a matter of form. According to a founding member, the statutory body is “irrelevant” for the every-day practice in the cooperative. Bioparadeis today has approximately 60 members.

The goal of Bioparadeis is to work cost-covering and without profit. Because of their self-organized character, the membership in Bioparadeis demands a lot of engagement and work input. Thus, compared to food shopping in supermarkets or at farmers markets, the membership in a FoodCoop is more time-consuming. The members do the daily work in the cooperative voluntarily. Duties and responsibilities are distributed equally among all members and organized in different working teams such as “Purchasing”, “Finances”, “Shop Duty”, “Supplier Search” and so on. The jointly rented storage room is the center and transfer site of the FoodCoop - members meet there, weekly placed orders are delivered to and stored at

the storage where members can collect the food on two days a week. The orders are placed using the internal Software Foodsoft and purchases are handled cashless using account sheets. For the purpose of internal communication Bioparadeis uses a mailing list.

In addition to the necessary work input, each new member has to make a small payment for the share capital of the cooperative. Furthermore, there is a monthly membership-fee, which

amounts to a voluntary sum of five to ten Euros per member and finances the rent for the common storage room. Sporadically Bioparadeis applied for funding from the Federal Representation of the Austrian National Union of Students who grants support for student projects. However, the major part of the financial resources of the FoodCoop stems from the shared capital and the membership fees.

BIOPARADEIS' SERVICE: NOT ONLY FOOD BUT SOCIAL CAPITAL

The core business of Bioparadeis and of FoodCoops in general is to provide their members with healthy, fresh, regional, seasonal and organic food, which in relation to the good quality of the products is fairly cheap as there is no profit margin of retail. The aim is to bring people out of their isolated positions as individual consumers and to bridge the enormous information gap between producers and consumers that is inherent to the modern industrial agri-food system. Hence, the socio-political aspect of the FoodCoop is of equal value as the ecological and economic background. Through the establishment of direct and stable contacts with regional producers, weekly orders and organized visits to the farms, so-called "Speisereisen", Bioparadeis manages to dissolve the anonymity between producers and consumers. In contrast to the purchase of food in retail stores the concept of FoodCoops is able to achieve transparency along the whole food production chain and to cultivate mutual trust between producers and consumers. Members of Bioparadeis know with absolute certainty where and how the food they consume was produced.

In addition to the benefits Bioparadeis brings for their members, the FoodCoop also helps to preserve and support small-scale rural structures. The cooperative serves as important additional direct distribution channel for regional producers who suffer from the highly concentrated structure on the food market and from the power big retail chains exert on them. Despite the relatively small quantities, the provision of FoodCoops can mean an important business opportunity for small farmers as they receive fair prices for them.

However, Bioparadeis achieves more than the service of food provision. Interviews with Bioparadeis members showed that they do not only regard their membership as form of sustainable and ethical consumption, but that the interaction in the cooperative has a strong community building effect and that participation in the FoodCoop also entails an extensive awareness-raising process. Thus, it is argued that membership in the FoodCoop leads to the generation of social capital (de Tocqueville 1990; Putnam 1993), which also appears to be key for the quick development and for the resilience of Bioparadeis:

BIOPARADEIS' ORGANIZATIONAL STRATEGY

Strengthening group dynamics:

Even though for most of the members the initial motivation for joining Bioparadeis was the wish for more transparency and for more ecological and social sustainability, members report that the social aspect of the cooperative soon turned out to be just as important. After the first phase of building up the cooperative, Bioparadeis put a lot of work into the improvement of group dynamics and in capacity building; they invited external consultants, booked workshops and trainings, spent seminar-weekends together and experimented with different methods of collective decision-making. As many of the members had no experience with grassroots democratic structures, Bioparadeis had to undergo an intensive learning process in order to find suitable and feasible consensus finding instruments.

Moreover, the choice of the legal form of an association turned out to be very important for members in order to develop a sense of affiliation and belonging and to form a strong group identity:

"We completely underestimated the importance of the legal aspect for the group dynamics. In retrospect, the registration as associations was a very clever idea. It was important in order to be able to tell who is part of the group and who is not. It creates some sort of nest." (IP1)

Respondents of Bioparadeis report that for them, the intangible qualities, the relationships and the strong sense of community in the cooperative constitute the core added value of their membership in the FoodCoop. They also feel that through their experience in Bioparadeis they really learned how to engage with others and how to integrate in a group: "The way you treat others, how you conduct yourself in a group, how to get along well with people, that's what you are learning in a FoodCoop, I couldn't image something better." (IP1)

Strengthening group dynamics:

Civic engagement has become more diverse and less stable as the individual motivation of volunteers has shifted. Therefore, the Third Sector is confronted with a reduction of voluntary work, especially in cities compared to rural areas. (More-Hollerweger/Rameder 2013; Rameder/More- Hollerweger 2009)

Bioparadeis seems to be unaffected by this trend, even though the membership in the cooperative is very high-threshold and demands to overcome a "threefold obstacle" – it not only requires members

to pay their membership fees, to pay the food they order but also to devote a few hours per week for the voluntary work in the cooperative. In other words, members not only pay for the service of food provision but also actively work for it. Therefore, it is part of the daily work and interaction in the FoodCoop to maintain the necessary commitment and engagement of the members and to protect Bioparadeis' original aspiration to be a community that decides and acts collectively:

"It is difficult to demand members to actively contribute, to shape, to participate. Indeed, it is a sort of demand, because there is always a risk that some members misconceive the FoodCoop as simple service. You have to demand so that the cooperative can function and flourish. This means constant work. It can be exhausting but until now we succeeded in doing so." (IP2)

Because of the "threefold obstacle" Bioparadeis actively works on nourishing the idea of responsibility for the FoodCoop among their new members. Each new member is assigned a "buddy" in order to help him integrate in the group as well as to understand the dynamics in the cooperative and their individual responsibilities as a member.

Other factors that strengthen the motivation and commitment among the members of Bioparadeis are the principles of self-organization and collective decision-making. One of the founders of Bioparadeis describes the cooperative as "lived school of democracy". He argues that membership in a FoodCoop empowers people by learning how to take responsibility, how to speak up and by giving them confidence of being able to achieve something together:

"People are not used to self-determination and self-organization. Our society doesn't function like that. People sit in front of the TV or in a pub complaining about other people who do things the wrong way. But they aren't able to actually do something themselves. If you spend a few years in a FoodCoop, you leave all of that behind – then you take your life into your own hands and you aren't afraid anymore of standing up and voicing your opinion at public events." (IP1)

Food and nutrition seem to be a low threshold topics which are able to bring

people together and to actually inspire people to become active, to initiate change and to live direct democracy:

"This is such a beautiful and not at all dry approach. Try getting people to participate in a seminar about 'How to make participatory democracy'. Who cares about that? But with food it's different. No matter who, the 70-year-old pensioner or the 13-year-old pupil who just saw the film 'We feed the world' at school. Food is interesting for everybody. People get together who wouldn't meet otherwise. It's a topic that connects people, that's what I find so powerful." (IP1)

People coming together in a FoodCoop naturally starts a process of discussion about what it means to produce and consume in an ecologically and socially just and sustainable way. These questions arise every day and raise other questions that go far beyond the agri-food system and concern the society, politics and economics at large. Thus, the membership in Bioparadeis as well as in other FoodCoops is enormously awareness-raising; one of the interviewees even describes Bioparadeis as "awareness-raising project".

According to the interviewed members of Bioparadeis their FoodCoop can also be seen as part of an even bigger system of initiatives that pursue similar visions and that are flourishing in recent years such as urban gardening, dumpster diving, sharing economy and so forth. These initiatives represent a big chance for the spreading of processes of discussion about ecological and social sustainability. Taken together they could make a difference and nurture transformation:

"Generally, the idea of teaming up, of taking things into one's own hands, to organize yourself, this

idea has definitely spread in the last years. And I think one of the qualities of FoodCoops is that they can have an effect of a catalyst. I wouldn't claim that FoodCoops started this development, most of these movements emerge in other countries, but FoodCoops definitely encourage the idea." (IP2)

In light of the mentioned community building effect, the awareness-raising process among the members of Bioparadeis and the offered space for

self-organization and collective action, the FoodCoop has so far had no problems finding and keeping its members. There is some fluctuation among the members, mostly because the main target group are students who often find themselves in a transition period in their life. However, despite the high-threshold character of the membership, the number of people interested in joining the cooperative still exceeds the set maximum number of members. Bioparadeis therefore has a waiting list for future members.

The right path to growth - organizational learning, knowledge management and network building:

In the years after the founding of Bioparadeis, the cooperative grew quickly. Because of the rapidly increasing number of members Bioparadeis had to find a way to ensure close personal relationships and to guarantee a sense of responsibility and belonging in the cooperative. Thus, Bioparadeis members deliberately decided not to grow any further and to set a maximum number of 60 members in order to preserve their organizational culture. The cooperative chose a different path and started a second FoodCoop called "d'Speis" ("the pantry") in a different district of Vienna with some of its former members. This idea of founding new FoodCoops in the form of spin-offs proved to be very successful and was copied several times in the following years. Thanks to their gathered knowledge and experience in already established cooperatives, former members of these FoodCoops helped and advised new cooperatives on the process of establishment building up, finding the right association statutes, internal democratic processes or supplier choices. The result of this fruitful and dynamic time was the establishment of a very close

network of FoodCoops. Most of these cooperatives are situated in urban regions; nearly half of all cooperatives are located in the capital Vienna. However, in 2013 people also started to establish FoodCoops in rural areas. The platform foodcoops.at lists 35 FoodCoops in Austria (May 2015), yet FoodCoop members estimate the total number at approximately 50 to 60 because a lot of informal FoodCoops still exist which did not officially register as association. Thanks to the platform foodcoops.at and a few network meetings every year, FoodCoops in Austria and their members are very well connected. They see themselves as community of like-minded people and as a close network in which members consult, inform and help each other. The platform and the network meetings offer a forum to discuss the further development of the network and also serve as an instrument for sharing FoodCoop-relevant knowledge.

In recent years the phenomenon and the network of Austrian FoodCoops has gained enormous attention, first of all among students who are still their big-

gest target group but also the media has shown a great interest. The activities of Bioparadeis for example were already featured in Austrian daily newspa-

pers as well as in a TV report on national television.

Entering cooperations and partnerships:

Even though there is great potential for the idea of FoodCoops to spread as described above, there are however a few issues of further development that Bioparadeis is actively discussing:

Bioparadeis is very strong at bonding social capital (Putnam 2000). As briefly outlined before, FoodCoops usually have a very homogenous structure of members with a classic liberal-alternative background, mostly students who already were sensitized for the topics of nutrition and the critiques of the non-sustainable industrial agri-food system. In order for their idea to spread, Bioparadeis needs to expand and integrate people with more diverse socioeconomic and cultural backgrounds.

Furthermore, in order to generate bridging social capital more intensive contacts and relationships to other actors as well as public relations for more visibility are necessary. There already are a lot of informal ties to other organizations in Austria with which Bioparadeis shares ideas and principles, like AgrarAttac, Vía Campesina or FIAN. Contact with public authorities and politics however have long been seen with suspicion and mistrust for fear of threatening the independence of the cooperative, of arousing questions regarding tax duties or of imposed stricter hygiene standards. Austrian political parties have already voiced interest in the activities of FoodCoops. So far requests have been denied by Bioparadeis in order to protect the idea and activities of the cooperative from any form of political appropriation.

Yet, since 2014 a pilot project and co-operation between FoodCoops and the responsible provincial government of Upper Austria exists in order to develop more FoodCoops in rural areas. The necessary funds stem from Agenda21 and support and expertise is delivered by Bio Austria, the Federation of Austrian organic farmers, and by the regional development agency of the federal province of Upper Austria. By the end of 2015 six municipalities have already established local FoodCoops (Agenda21-ooe.at). The project is called "Appetit auf Zukunft" ("Appetite for Future") and was initiated by a former Bioparadeis-member. According to him, there is a great potential for cooperatives in rural areas since a network of FoodCoops could improve the situation of local consumers who suffer from the ongoing process of erosion of local food supply structures in Austria.

Moreover, in order to better represent their interests and to pursue advocacy work, the Austrian network of FoodCoops is also considering the foundation of an Austrian-wide umbrella organization.

A possible expansion of the project 'Appetit auf Zukunft' to the whole of Austria as well as the question concerning the necessity of a formal representation and interest group of the FoodCoops will be a matter of discussions at future meetings of the network.

Bioparadeis as the first FoodCoop in Austria was build up by a group of students without specific knowledge or ex-

perience in self-organization. In the approximately ten years since its existence, Bioparadeis grew quickly and offered its members not only a distinctive service – directly procured, local, seasonal and organic food – but also created space to live grassroots democracy, to raise awareness for important economic, social and environmental questions and to act and decide collectively. Bioparadeis put a lot of work into the community building among their members and preserved this sense of community and its

organizational culture by means of deciding to build a network of small cooperatives instead of expanding into one big FoodCoop. Future development will show if Bioparadeis and the other cooperatives in the Austrian FoodCoop network are able to form strategic partnerships and collaborations in order to reach more consumers from diverse socioeconomic backgrounds and to exert more pressure on the conventional agri-food system.

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PERSPECTIVES FROM POLAND: THIRD SECTOR ORGANIZATIONS IN TURBULENT ENVIRONMENTS: TWO CASE STUDIES FROM THE POLICY FIELDS OF SOCIAL HOUSING AND SPORTS

1 TWO MAJOR CASE STUDIES – SOCIAL HOUSING AND SPORTS

1.1 INTRODUCTION

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In Poland during transformation from the Communist era, the responsibility for the provision of social housing was relayed to the local public administration, which lacked sufficient financial resources. NPOs alone did not have enough capital to invest in costly housing provisions. In the years 2004-2005 the state conducted a pilot programme

aimed at supporting municipalities in the construction of social dwellings for the neediest inhabitants. This legal initiative enabled the initiation of a new model of social integration for the most vulnerable families through the Barka Foundation from the city of Poznań by combining social integration with housing provision and re-housing.

1.2 ENGAGING IN A POLICY OF SOCIAL INCLUSION AND ECONOMIC INTEGRATION MAKING LONG-TERM UNEMPLOYED AND HOME-LESS PEOPLE ACTIVE

The Barka Foundation was established in 1989 through the initiative of Barbara and Tomasz Sadowski in response to the absence of an institutional solution to the problems of the economically and socially weakest and excluded groups (Sadowski 2003). The Foundation based

its programme of socio-economic integration on the following four pillars: (1) the programme's aim of strengthening mutual help and the economic self-sufficiency of the communes in poverty, (2) the programme of socio-vocational reintegration, aimed at acquiring new

skills and qualifications, (3) the programme of work integration and (4) the social housing programme in urban and rural areas, including housing renovation projects.

1.3 ASSOCIATION FOR ACCESSIBLE HOUSING “BARKA-DARZYBÓR” – BACKGROUND INFORMATION

The Association for Accessible Housing “Barka-Darzybór” commenced its activities in 2003. The Association was established in order to realize the housing programme of the Barka Foundation and to address the needs for affordable housing of the poorest inhabitants in the city area.

The main objective of the “Darzybor Settlement” - a special housing project - was to solve the housing problems of low-income families which represents the final stage of their sustainable socio-economic reintegration.

1.4 PURSUING THE SOCIAL HOUSING POLICY IN A PARTNERSHIP BASED-MANNER

In cooperation with the local administration, the private sector, as well as numerous Polish and international donors, the Association has successfully advocated for the construction of a regular housing settlement instead of container houses. This model might be seen as innovative in the local social policy field due to the integration of different actors (e.g. civil society leaders, municipality, private business, foreign and international sponsors), the involvement of different forms of contributions (e.g. financial, volunteer work) and the inclusion of housing provision as an indispensable factor for successful social inclusion. The city of Poznań provided the land and submitted the grant application to the central government programme and also prepared some of the technical documentation. The local Social Affairs Department supported the social part of the activity. Private sponsors and companies provided part of the building materials and technical projects. Future tenants and volunteers

were involved in the construction work (Report How to help people excluded from decent housing, COOP 2005).

The project is a good example of public-private-social partnerships in the field of social housing. The Barka Foundation generated one third of the funds needed to complete the first stage of the settlement’s construction, and the rest of the costs were covered by the city budget and by the pilot governmental programme. The importance of this project also lies in its low construction costs. “We have put all our efforts to make Darzybór settlement economically accessible for low income families and the cost of 1 m² was 2,100 PLN - approx. EUR 500 - without the cost of land.” (Jarosław Południkiewicz: FGI 2015).

The Barka Foundation and the Association for Accessible Housing “Barka-Darzybór” played a pioneering role in initiating the systemic solutions in housing policies for families in need. The

project has attracted the attention of Polish and international institutions. For example, the EU Report of Accessible Housing of 2006 noted that the partnership with the city administration and business community initiated by the civil society leaders of the Barka Foundation presents “A holistic approach to the

reintegration process, where housing provision is one of the key elements” (Report How to help people excluded from decent housing, COOP 2005: 30). “All this contributes to the fact that the process of socialization of those tenants is going on” (Barbara Sadowska: FGI 2015).

1.5 FROM PARTICIPANTS TO OUTSIDERS OF URBAN HOUSING POLICY

After its initial success in constructing 32 dwellings, the cooperation between public administration and nonprofit partners ceased. There was no continuation of the project, and the local authorities excluded the Association for Accessible Housing “Barka-Darzybór” from the process of formulating and realizing the local social housing policy. The local administration has taken the responsibility for the maintenance of the Darzybór Settlement. The social integration programmes previously delivered by the Barka Foundation and other welfare associations also stopped. Only

ten years later, in 2015, during our FGI discussion in Poznań, all stakeholders (representing local housing and social welfare administration of the city of Poznań, the Barka Foundation, the Association for Accessible Housing “Barka-Darzybór”, representatives of the housing cooperative and social building society) met and expressed the opinion that the Darzybór Settlement Project should be continued and that the second phase of the project (Project II) should be initiated (Marszał: Protocol of the Association for Accessible Housing “Barka-Darzybór” January 2016).

1.6 CHALLENGES OF INSTITUTIONALISATION OF THE THIRD SECTOR ORGANIZATIONS IN FORMULATING AND IMPLEMENTING URBAN HOUSING POLICIES

The Association for Accessible Housing “Barka-Darzybór” has taken several steps in its strategy to cope with the above-mentioned barriers. Firstly, the members of the Association established the contact with the vice-president of Poznań. The vice-president visited the Darzybór settlement in December 2015 and learned about the origins of the housing project and how it has developed. During these meetings, the vice-president also received a copy of the letter sent by the Association Barka-Darzybór

to a former president of Poznań asking for information concerning the reasons for the cessation of the partnership with the Association for Accessible Housing “Barka-Darzybór” and other partners in the project. The vice-president was also informed that the letter remained without reply. During this local visit, the vice-president also met with the staff of the non-profit organizations that conducted social welfare and work integration programmes. The vice-president expressed his interest in developing social

housing and halfway accommodation programmes in cooperation with the local nonprofit organizations (ibid.).

Secondly, the members of the association arranged a meeting with the Commission for Municipal Economy and Housing Policy of the City Council. During the common session at the City Hall, the chairman of the Association for Accessible Housing “Barka-Darzybór” argued that the Housing Project Darzybór, together with its social integration project (e.g. social assistance, educational support and work integration), should be continued and expanded owing to the housing crisis and the heavy problems of housing exclusion. The members of the association also advocated for a long-term sustainable urban social housing policy that would develop supporting accommodation solutions, as well as strengthen communal, cooperative and Housing Building Societies production.

During our FGI discussion the representatives of the local authorities pointed out the important contribution made by the “Barka Darzybór” initiative to the local housing policy, in particular their experience in designing and proper managing such settlements by using social integration programmes.

Thirdly, most recently the members of the Association for Accessible Housing “Barka-Darzybór” are planning to engage in a new project aimed at social inclusion and accessible housing in the small community of Kwilcz (Wielkopolska region). Drawing on their technical experience and expertise, the association is now developing new activity areas including the promotion and dissemination of low cost building technologies.

1.7 PARTNERING IN SOCIAL HOUSING DEVELOPMENT: TOWARDS SOLVING INSTITUTIONAL AND REGULATORY BARRIERS

The members of the Association for Accessible Housing “Barka-Darzybór” and other participants of the FIGI, held in Poznań in July 2015, pointed to the need for a second governmental pilot project addressing problems of social and housing exclusion, and for supporting partnerships between local authorities, private sector and non-profit partners for housing policies. New political and financial interventions at the national and local level are necessary to overcome the internal and external barriers faced by nonprofit organizations which are acting in the field of social housing. Among the issues raised during

the FGI discussion in Poznań were: the need for new regulations on the rights of voluntary organizations for hereditary land tenure and modification of agreements with the tenants of social housing buildings according to their socio-economic conditions. The model of the Association for Accessible Housing “Barka-Darzybór” based on the partnering might be considered best practice from which other administrative units in Poland and abroad could provide a benefit, provided that local authorities and government are engaged in the production of affordable housing.

2. CASE STUDY – SPORTS

2.1 INTRODUCTION

The case study on sports enabled us to have a look into how Polish sport associations function. We observed how complex sports umbrella organizations are and what kind of barriers they face. However, we gained access into one of the Polish sports associations at a cost. We were obliged to not disclose the name of the association and the name of our interlocutor. Aware of the limitations of accumulating data from anonymous sources, we agreed to the terms

demanded by the interlocutor. The main reason is that there is no in-depth study on Polish sports associations available. Sports associations comprise a large part of the third sector in Poland, but, there is very little information on how they function. Perhaps part of the reason why researchers are unwilling to investigate sports associations is that it is very difficult to acquire reliable information.

2.2 BRIEF CHARACTERISTIC OF THE POLISH SPORTS ASSOCIATION

To ensure the anonymity of our interlocutor, we can provide only minimal identifying details on the Polish Sports Association (PSA) we studied. It combines organizations active in a popular sports discipline that requires expensive equipment. Therefore, the PSA facilitated access to the equipment for many years.

The case study shows that the PSA has gone through several phases of disinte-

gration and reintegration since the end of the Second World War. The PSA has had to adapt to changing economic and political conditions. Currently, the PSA also faces a major challenge. It has to reconcile the development of professional sports with the propagation of sports to a wide audience.

2.3 FIRST ADAPTATION – THE COMMUNIST RULE

The talk-about sports disciplines was considered to be elitist and “bourgeois,” so it was not promoted in the beginning of the communist rule in Poland. The state nationalized all the equipment and stopped the activities of all sports organizations. The communist government decided in the late 1950s to allow the development of independent sport

organizations. The network of sport organizations as well as the purchase of new equipment were slowly established. More and more people were involved in sports. Sports organizations gained financial support from the state. As a result, sports organizations quite successfully adapted to the new political and social environment.

They attracted people due to the following aspects:

- sports organizations provided the only source for equipment;
- sports organizations had a monopoly on training courses;
- sports organizations had a monopoly on granting sports licenses;
- involvement in the activities of sports organizations made it easier to travel abroad through participation in international sporting events.

Sports organizations in a stable financial condition were able to:

- employ professional staff;
- buy new equipment and keep old equipment well-maintained
- develop a wide net of local organizations;
- attract new members.

In the end, sports organizations focused on increasing the popularity of amateur sports.

The crisis of this adaptation model occurred in the 1970s. The major source of crisis was the economic breakdown of the state economy, which limited the state's capacity to be a generous supporter of sports organizations. Sports organizations limited their acquisition of new equipment. In addition, they were unable to sustain older equipment. Also, everyday activities were gradually limited. Furthermore, sports organizations were losing their role as "gates" to the Western world, as regulations on traveling abroad had been relaxed. In addition to that, as the financial condition of organizations was deteriorating, professional staff started to find additional sources of income. They began to provide paid training services outside of the organizations. The individualization of sports became also evident on the demand side. As it became easier to buy equipment individually, people were less involved in the activities of organizations. In the end, sports organizations became less relevant in the final phase of the communist rule.

2.4 MALADAPTATION AND DISINTEGRATION

After the fall of communism, sports organizations entered a phase of permanent crisis. The state almost completely ceased its financial support, making it extremely difficult for sports organizations to sustain the activities. Moreover, the need for sports organizations in their old form decreased dramatically. People were able to buy or lease equipment and did not need the support of any organization in order to travel abroad. Sports became increasingly popular, but solely at the individual level. People also changed their attitude toward sport itself.

Sporting equipment requires considerable attention. It has to be preserved from adverse weather condition and

needs constant protection. During the communist times, members of sports organizations took care of their equipment in exchange for the right to use it. After the fall of communism, people started to prefer paying for the preservation of the equipment instead of involving themselves in the process. By doing this, they questioned one of the essential rules of sports organizations: an opportunity of doing sports substitutional for being involved in organizational activities.

Sports organizations were also losing their monopolistic position in providing training services and the certification of sports licenses. Individuals were allowed to perform tasks that up to that

point had been only reserved for sports organizations. This was a further reason for people to limit their involvement in the activities of sports organizations.

The disintegration of sports organizations had also their social aspect. The people able to buy their own equipment were from the developing middle class. Only they were able to exercise sports, the rest of the society was cut off from this possibility. Sports organizations were no longer able to provide equipment and services for destitute individuals.

Sports organizations saw themselves as victims of state withdrawal, commercialization and individualization. The state no longer financially supported organizations and did not secure their monopoly on some services. Therefore, many services were sold by individuals and companies outside from sports organizations. Many people also preferred to do sports individually without the structure of a sports organization. Under these circumstances, most sports organizations had problems formulating their mission and asked themselves what they existed for.

2.5 AT A CROSSROADS

The situation of the PSA we researched changed after 2013. According to new national rules, financing for PSAs was managed through the following formula: the more medals a PSA has won in international competitions, the higher financial support will be for a particular PSA. Due to Polish athletes winning a significant number of golden medals in the sports which are under consideration, financial support for the PSA has recently increased. This situation has created new tensions in the organization.

The PSA and the sports organizations which are part of the umbrella organization have become worth the attention, because they have a significant amount of money at their disposal. This situation has led to internal tensions between “professionals” and “activists”. The professionals are people who would like to expand the PSA mainly as an organization for professional athletes. Their aim is the professionalization of players and management, as well as the commercialization of PSA activities. The ‘activists’ want to maintain the social mission of the PSA and its sports organizations, by popularizing sports and make them accessible to a wide range of people. They

also want to build the organization on the voluntary involvement of its members.

This tension arises at two levels: elections and management. There are accusations of fraud during the election to the organization’s bodies. Local organizations supposedly exaggerate the numbers of their members in order to gain more votes during the election for regional and central bodies. These manipulations are allegedly done by professionals. They want to take control over the PSA, even though they do not have the backing of the majority of the active members of sports organization.

The conflict between professionals and activists is also visible at the management level. The activists still control the board of the PSA. Professionals, however, have taken the positions of managing directors. This is a consequence of the coexistence of two management structures of the PSA: the elected and the appointed. The board is elected through a complex process of voting, and it is still controlled by activists. Board members are volunteers and they are able to engage in the activities of the PSA from time to

time. At the same time, managing directors are employed by the PSA and they work for the PSA on an everyday basis. They are formally under supervision of the board but, in reality, they act independently of this elected body. Due to regularly working in the PSA, they have been increasingly gaining more control over the organization.

The tension between activists and professionals is stoked by the state. The state has pressured PSAs to develop professional sports and to win international competitions. The Ministry of Sport has been putting pressure by siding with professionals. Professionals, in return, allow the state to have an influence on the way the PSA acts. As a result, the state has once again become an important partner for the PSA. However, its support for the organizations is conditional on the PSA being able to deliver achievements in professional sports. This time the state is not interested in popularization of sports.

Activists resent the state policy towards the PSA because they want the PSA to be an organization engaged in the popularization of sports. However, professionals, as well as the state, are not interested in this kind of development. Activists are left on their own. They face the problems of maintaining a network of local sports organizations not involved in professional sports and which suffer from many different financial and legal problems.

In the end, the PSA seems to consist of two separate and hostile structures: the elder, governed by activists, and the newer, governed by professionals. The aim of the first structure is to popularize sports and work with local communities. The aim of the second is to develop professional sports. Their relation seems unworkable and blocks the development of the whole PSA. The internal tension is the main barrier for the PSA's development and it still has to be overcome.

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