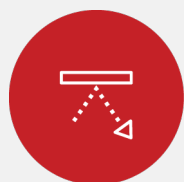




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Barriers

National Report No. 2/2016

Identifying External and Internal Barriers to Third Sector Development in the Netherlands

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1. Introduction

The third sector in the Netherlands is extraordinarily diverse and defies easy categorization. It comprises a broad variety of different organisations, ranging from neighbourhood initiatives to professionalized umbrella organisations, and from civic associations, advocacy networks to charity foundations. Dutch third sector organisations are active and highly visible in various policy fields, especially in health and social services, sports, culture and arts. Common to all of these diverse organisations is that they link private initiative to a public or charitable purpose. However, the ways in which this is organised differ greatly. Before we describe the sector in more detail, it is important to recount a few important findings from previous scholarship on the third sector in the Netherlands.

The first is that the Dutch third sector's history is closely bound up with the evolution of the public sector. Its development has to some extent been path-dependent, conditioned by formative choices about the shape of the welfare state made in the early 20th century. A key element of these choices was that third sector organisations became the foremost vehicles for expanding welfare programmes. Within the so-called 'pillarised' system, religious and political groups were accommodated with public funding channelled through their own private organisations (Lijphart, 1968). This led to a rampant growth of the third sector, as the welfare state expanded. Even after a relatively swift process of secularization and the collapse of the pillarised system, the third sector has maintained a prominent role in public service provision.

It is important to note that the Dutch third sector traditionally has had few cross-cutting links in the shape of umbrella organisations or other cross-cutting representative bodies (like the German Free Welfare Associations). Under the system of pillarisation, the links were maintained mostly through informal social networks, with strong ties to mainstream political parties (especially the Christian-Democrats). When the system of pillarization faded and the Christian-Democratic party lost political clout, the sector has fragmented to the point where it is primarily a statistical, as opposed to a social category (Dekker, 2001). Organisations tend to identify most with other organisations in their field (say education or health care), regardless of whether they are third sector or not. There is little sense of shared identity (Brandsen and Van de Donk, 2009). Inter-organisational collaboration tends to be within rather than across policy fields.

Considering this diversity and fragmentation, it is evident that for understanding third sector development in the Netherlands one needs to apply a broad definition of the concept which on the one hand allows to encompass organisational diversity and on the other hand to focus on the core characteristics of the sector (Salamon & Sokolowski, 2014). According to the common

conceptualization of the Third Sector Impact (TSI) project, the organisations populating the third sector in Europe share five defining characteristics; they are (1) organisations (whether formal or informal), (2) private, (3) self-governed, (4) non-compulsory and (5) totally or significantly limited from distributing any surplus it earns to investors, members, or others (Salamon & Sokolowski, 2014). This broad conceptualization of the third sector allows including nonprofit institutions as well as mutuals, cooperatives and social enterprises with a distinct social mission and a nonprofit distribution clause (Salamon & Sokolowski, 2014). Moreover, the TSI conceptualization of the third sector does not only focus on organisational activity, but also considers individual activity such as volunteering and civic participation, both inside and outside formal organisations (Salamon & Sokolowski, 2014).

What we know about organisations that are populating the third sector in the Netherlands stems from a number of domestic and European research projects. Early scholarship examined the development of the Dutch third sector as an element in larger political and social transformations (Lijphart, 1968; Van Doorn, 1978). In the 1990s, the first comprehensive quantitative study of the Dutch third (or: nonprofit) sector was conducted. In the *Johns Hopkins Comparative Nonprofit Sector Project*, the Dutch sector emerged as the largest in the world (Burger et al., 1999; Burger and Dekker, 2001). It was described as strong in economic terms and dynamic in societal development. According to the Social and Cultural Planning Bureau (SCP) responsible for carrying out the comparative research project in the Netherlands, the Dutch third sector proved to be a “huge economic force in the Netherlands, accounting for substantial shares of national expenditures and employment” (Burger et al., 1999: 146). The factors explaining the relevance of the third sector in the Netherlands were attributed to the long tradition of private initiatives and the already mentioned political phenomenon of ‘pillarisation’ that let many organisations emerge and develop along religious and ideological divides (Lijphart, 1968; Burger et al., 1999: pp. 151-2). Such a broad quantitative study has not been conducted since. However, there is a comparatively good set of national data on the third sector (discussed in WP3 of this project). Also, a number of smaller projects, such as the Third Sector European Policy project (Kendall, 2009) have examined developments in the sector in the period since.

Again, it is time to draw up the balance. What have been the main transformations in the Dutch third sector? What is its status today? How have organisations responded to economic and societal changes that have taken place in the Netherlands over the past two decades? And what role does the Dutch third sector play in the changing relationship between citizens and the state? This report aims to identify the major trends in third sector development in the Netherlands. It thereby focuses on barriers and opportunities for development.

The past two decades have changed the conditions for third sector organisations across Europe. Challenges for TSOs in the Netherlands might include changing socioeconomic conditions, e.g. shifts in earning and time capacities in the population, the impact of the economic crisis on levels of government funding and private donations etc., as well as political developments, e.g. government policies that effect the third sector and voluntary work, and more general societal changes, e.g. loss of the social cohesion. Our study focuses on the challenges identified by TSOs in the Netherlands and their strategies in dealing with them.

Stakeholders describe the current situation of TSOs as “being caught between increased individualization and a climate of ‘permanent austerity’” (Zimmer et al., 2015). Indeed, due to the austerity programs that have been implemented in many EU-countries, TSOs are simultaneously confronted with significant societal changes and major shifts in government policies. Against this background, one can assume that TSOs need to adapt to the changing environment. The objective of this report is to identify the main barriers to third sector development and the strategies that organisations develop to respond to challenges they are facing. In a nutshell, the report addresses the following research questions:

- How have TSOs in the Netherlands addressed and coped with the challenges they face?
- What strategies have TSOs in the Netherlands developed to address these challenges?
- How do these strategies differ between (types of) organisations?

From a theoretical perspective, the report will adopt an “organisational field approach”, developed by Powell and DiMaggio (1983; 1991) and further advanced by Fligstein and McAdam (2013). Whereas Powell and DiMaggio introduced the field approach into organisational theory, Fligstein and McAdam supplemented the approach with a process dimension. The field approach enables us to trace the national dynamics of third sector development, and, furthermore, facilitates cross-country comparison regarding third sector developments in the countries under study. In the TSI project, the third sector of each country is assumed to constitute an organisational field. In addition, organisations in a specific area are part of different policy-based organisational fields, which also include other types of organisations.

The report adopts a mixed-method research design and is based on the following information:

- A literature review and a stock tacking of available statistical data on third sector development in the Netherlands;
- An online survey among TSOs in the Netherlands focusing on the topics of organisational context, personnel, finances, legal environment and inter-organisational cooperation (n=460);

- In-depth interviews with stakeholders (representatives of umbrella organisations, policy experts etc.) in four policy fields: (1) health and social services, (2) sports, (3) culture and arts, and (4) international cooperation.

The structure of the report is as follows: The report starts with an introduction that describes the main objectives of the research project and outlines the structure of the report. In the second part, the key characteristics and developments in the third sector in the Netherlands are presented in a brief overview, which focuses on employment, membership and the development of private donations. The third part describes the main common trends of third sector development in the Netherlands and thereby looks into four issue areas: (1) legal environment, (2) financing, (3) image and public support, and (4) the role of TSOs in advocacy. In the fourth part, the development of TSO in four policy fields (health and social services, sports, culture and arts, and international cooperation) is analysed. The fifth part is devoted to the cross-cutting issue of volunteerism which is relevant to TSO in various policy fields. Finally, part six presents a conclusion that identifies the main barriers and opportunities to third sector development in the Netherlands. In the annexes of the report, the data material of the research project is described.

2. The Dutch third sector at a glance

The following part of the report is dedicated to describing the basic characteristics of the third sector in the Netherlands. The Social and Cultural Planning Bureau (SCP) monitors the development of third sector organisations and regularly publishes reports on topics related to third sector development. In the 1990s, the SCP participated in the *Johns Hopkins Comparative Nonprofit Sector Project* which resulted in a number of publications on the scope, structure, financing, and role of the third sector in the Netherlands (Burger & Dekker, 1998; Burger et al., 1999; Burger & Dekker, 2001). In the following years, the SCP published a series on (Hart, 2005; van den Berg and de Hart, 2008; Postumus, den Ridder and de Hart, 2014) that focused on different aspects in the development of civil-society organisations (*maatschappelijke organisaties*). The report of 2005 focuses on the development of membership and voluntary engagement in third sector organisations (van den Berg and Hart, 2008). The report of 2014 examines the situation of large civil-society organisations (more than 50,000 members), including political parties, trade unions and churches (Postumus, den Ridder and de Hart, 2014).

The image that emerges from these publications is the image of a dynamic and versatile third sector. Despite economic and social changes, the Dutch third sector continues to play an important societal role. The following indicators provide evidence about the current state of the

Dutch third sector: (1) employment in third sector organisations, (2) membership development in third sector organisations, (2) development of private donations (philanthropy), and (3) development of voluntary effort or voluntary input.

2.1. Employment in third sector organisations

The third sector is an important employer in the Netherlands. The *Johns Hopkins Comparative Nonprofit Sector Project* found that in the 1990s the equivalent of nearly 653,000 full-time paid workers were employed in the third sector which represents 12.6 percent of total non-agricultural employment and 27.9 percent of total service employment (Burger et al., 1999: p. 147). Most Dutch third sector organisations, and thus also most of the related employment, is situated in the social service sector. It includes employment in hospitals, schools and social welfare organisations. More precisely, 42 percent of all third sector employment in the Netherlands is in health, 28 percent in education, and 18 percent in social welfare organisations (Burger et al., 1999: pp. 152-4). In addition, 4 percent of third sector employment is in the cultural sector, 2 percent in professional organisations, 2.6 percent in areas of development, 1.6 percent in environmental protection and advocacy and 1.0 percent in other fields (Burger et al., 1999: pp. 152-4). The information of the *Johns Hopkins Comparative Nonprofit Sector Project* is based on a statistical analysis of employment data in various economic fields. In international comparison, the Dutch third sector plays an important role as employer. This can be mainly attributed to the fact many health care, social sector and educational institutions take a nonprofit form.

Within the sector, different sub-sectors can be distinguished one of which are charity organisations (Dutch: goededoelenorganisaties). According to the umbrella organisation “Goede Doelen Nederland”, in 2013, 11.000 people were employed with 91 charity organisations (Goede Doelen Nederland, s.a.). Out of this number, about 50 percent were employed with social or cultural organisations; an additional 30 percent was working for organisations in the sector of international cooperation (Goede Doelen Nederland, s.a.). In addition to paid staff members, many volunteers are active for charity organisations. The ratio between paid staff members and volunteers depends on the size of the charity organisations: In large organisations with an annual income of more than 20 million EUR, 86 percent of staff members are paid, in medium-size organisations with an annual income between 5 and 20 million EUR 12 percent of staff members are paid, and in small organisations with an annual income of less than 5 million EUR 2 percent of staff members are paid (VFI brancheorganisatie van goede doelen 2015).

Although there are not recent data on employment in the third sector as a whole, in general, the position of the third sector as a major provider of services in the Netherlands has not changed. However, the economic crisis and budget cutbacks in the Netherlands had a negative impact on employment in the third sector, as it has suffered directly from diminished public resources. However, the impact differs across policy fields. Third sector organisations in the field of international development aid were particularly affected, as structural subsidies to these organisations were significantly cut. The impact on policy measures on the organisations' income and employment will be discussed below in the sub-chapters on the respective policy fields.

2.2. Membership of third sector organisations

Third sector organisations in the Netherlands have a strong membership base. In terms its development, one can distinguish between long-term and short-term trends. The report “Verenigd in verandering” (2014), conducted by the Netherlands Institute for Social Research, analyses the membership development of membership in large third sector organisations, defined as societal organisations with more than 50,000 members or donors, including churches, political parties and trade unions. The report shows that, since 1980 (the start point of this study), the willingness to join large membership organisations initially rose sharply (Postumus, den Ridder and de Hart, 2014). In the period between 1999 and 2014, the growth levelled off (Postumus, den Ridder and de Hart, 2014). There has even been a slight decrease in the number of members and supporters (Postumus, den Ridder and de Hart, 2014). However, the total number of members in large organisations remains high: In 2012, SCP counted 31.4 million memberships (Postumus, den Ridder and de Hart, 2014). Over a population of 16 million inhabitants, this means that on average every inhabitant of the Netherlands is a member of two large societal organisations. In addition, Dutch citizens are often members of small or informal organisations. An important role is played by community organisations (*wijkorganisaties*), commonly organized on the basis of urban districts or villages. Community organisations are stimulated in the Netherlands, and membership is on the rise. Particular grant programs and services exist to assist citizen to establish and manage community organisations (WISE; s.a).

Charity organisations in the Netherlands can count on a broad support by members and permanent donors who share the idealistic objectives of the organisations. In 2014, Dutch charity organisations had an overall number of 9.192.817 members and donors (VFI brancheorganisatie van goede doelen 2015). According to policy fields, the distribution of members and donors was the following: international cooperation – 32 percent, health – 31 percent, welfare and culture – 22 percent, and nature, environment and animal protection – 16 percent (VFI brancheorganisatie van goede doelen 2015). Within the group of charity

organisations, membership development differs between organisations of various sizes. Whereas large charity organisations saw a decrease in membership by 2.8% in 2014, medium-size and small charity organisations registered an increase of 1.3% and 5.3% respectively (VFI brancheorganisatie van goede doelen 2015).

Membership development in the Dutch third sector also differs across policy fields. In a survey among representatives of large organisations conducted by the Netherlands Institute for Social Research, some organisations reported a decrease in members, whereas others reported an increase (Postumus, den Ridder and de Hart, 2014: p. 72). TSO representatives who reported an increase in members in the organisation mainly attributed this to successful recruitment campaigns and the fact that the organisation is able to keep up with the times (Postumus, den Ridder and de Hart, 2014: p. 72). In the survey, 83% of third sector representatives reported that the economic crisis had had a negative impact on their organisation (Postumus, den Ridder and de Hart, 2014). Among sports organisations and political parties this share was lower. Overall, the study found that the economic crisis did not have a major impact on the numbers of members and donors of third sector organisations in the Netherlands (Postumus, den Ridder and de Hart, 2014). However, as a result of the crisis, recruiting new members has become more difficult for third sector organisations (Postumus, den Ridder and de Hart, 2014). Organisations need to do more to bond members to the organisation.

The interviews with TSO representatives, conducted for the TSI study, confirm this observation. Organisations report that they need to invest more to stay attractive for members, donors and volunteers. Citizens have increased expectations with regard to the organisations they are participating in. If an organisation does not meet the expectations of its members, people more easily leave the organisation or terminate their permanent donor relation. One of our respondents explained: “People find us a sympathetic organisation, but we need to work harder to earn their respect” (interview #5, TSO representative). Many of the interviewed TSOs mentioned that it has become more difficult to attract supporters to their organisation on a permanent basis. They attribute these difficulties to three factors. First, the economic crisis has decreased the amount of money people can freely spend. This has affected their possibilities to support TSOs through membership fees or donations (interview #5, TSO representative). Second, TSOs are confronted with an increased competition for members and private donors (interview 5, TSO representative). TSO representatives explained that member recruitment campaigns intensified competition among the organisations: “We are all fishing in the same waters” (TSI online survey; open question: barriers). The third factor has to do with an underlying societal trend towards more flexible forms of commitment, as one TSO representative explained: “Today, people are less inclined to concretize their support for an organisation in the form of a permanent membership. People are looking for shorter and more

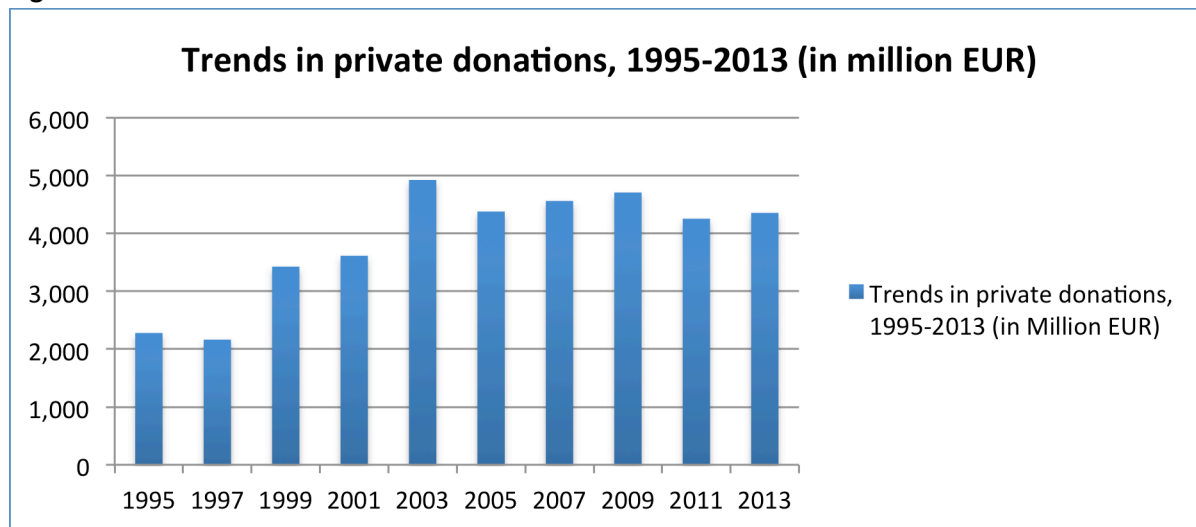
flexible ties.” (interview #5, TSO representative). Some organisations described that recruiting new members become more difficult has become more difficult as a result of the crisis; other organisations do not report an impact of the crisis on the recruitment of new members (Postumus, den Ridder and de Hart, 2014).

In response to this trend, many TSOs in different policy fields have developed new forms of membership. These can include membership fees in step-like arrangements, e.g. with or without the subscription of the member’s magazine or with a special reduction for new members or members of lower income groups (interview #18, TSO representative). New forms of membership can also include a possibility to support a specific project of the organisations without becoming a full member (interview #5, TSO representative). In addition, many TSOs invest in member recruitment campaigns which are often organized with the support of for-profit recruitment companies (interview #6, policy expert). However, often the effect of these campaigns is that people join an organisation only for a short period of time. Many TSO therefore prefer to invest in long-term membership by increasing the quality of their members’ commitment. One TSO representative explained: “We would rather have members who are committed for a longer time and in a meaningful way than ones who leave the organisation after only one year. For us, these committed members are the ones that we can count on.” (interview #5, TSO representative).

2.3. Private donations

Private donations form an important part in the financing of third sector organisations in the Netherlands. The panel study “Giving in the Netherlands” monitors philanthropy in the Netherlands on a regularly basis. Philanthropy in this study both includes private donations and voluntary effort. According to the panel study, philanthropy in the Netherlands is at a high level: In 2013, about 4.4 billion EUR was donated to charitable causes (Bekker et al. 2015). This means that approximately 0.7% of its Gross Domestic Product (GDP) in the Netherlands is donated to charitable causes (643 billion EUR in 2013).

The development of private donations for philanthropic purposes has seen a positive development over the past decade. From 1995 to 2003, it has seen a steep increase from 2,279 million EUR in 1995 to 4,925 EUR in 2003 (see figure 1). After 2003, the level of private donations stabilized at a high level with an annual amount of private donations of more than 4 million EUR each year (see figure 1). The development of private donations also shows that the economic crisis only had a temporary impact on private donations in the Netherlands. In 2011, the level of private donations decreased with 9.6 percent as compared to 2009. In 2013, private donations again saw an increase by 2.4 percent as compared with 2011.

Figure 1.

Source: Giving in the Netherlands, 2015

A specific sub-group of third sector organisations are charity organisations. Within this group, in 2014, 38 percent of the organisations' income was generated through fundraising activities (VFI brancheorganisatie van goede doelen, 2015). Private donations and gifts account for 53 percent of the income generated through fundraising activities. 21 percent of the fundraising income was received through inheritances, making this the second most important fundraising source after private donations and gifts (VFI brancheorganisatie van goede doelen, 2015). As inheritances have become an important source of income, some charity organisations, e.g. the Culture Foundation, have designed specific programmes to inform citizens about the opportunity to bequeath money to charitable causes (Cultuurfonds, s.a.). Trends in private donations with regard to specific policy fields such as sports or culture and arts will be discussed below in the paragraphs on the policy fields.

3. Main trends in third sector development

In this part of the report the main trends in third sector development in the Netherlands will be presented. We will look into the changes with regard to the legal environment, financing, image and public support and the role TSOs play in advocacy. These trends are common to TSOs in all policy fields and will thus be discussed before turning to the situation of TSOs in the four policy fields under study.

3.1. Legal environment

The legal and regulatory environment for third sector organisations in the Netherlands can be described as favourable and stable. The overwhelming majority of TSO representatives, interviewed for this study, described the legal environment as favorable for their organisations: “[...] The situation in the Netherlands is good. I cannot think about any restrictions for an organisation as ours.” (interview #5, TSO representative). According to a policy expert, the legal framework for the third sector in the Netherlands is extremely liberal, as compared to other countries (interview #6, policy expert).

The legal framework for third sector organisations is laid down in the Netherlands Civil Code (*Nederlands Burgerlijk Wetboek*, or BW). It has not significantly changed over the past two decades. There are three main legal forms for third sector organisations in the Netherlands are associations (*verenigingen*), foundations (*stichtingen*) and churches (*kerken*).

Associations (*verenigingen*) are membership-based organisations (article 2:26(1) BW). One distinguishes between formal and informal associations (Hamers, Schwarz and Zaman, 2013). Formal associations are established by a legal act by at least two persons, drawn up in a notarial deed. Formal associations are required to register in the Trade Register held by the Chambers of Commerce (*Kamers van Koophandel*). According to the law (article 2:26), the statutes of an associations need to describe its name, its purpose, as well as the basic features of its internal organisations, including the manner, the manner of convening the general meeting of members, and the rules for appointing and dismissing board members (see also Burger and Dekker, 1997). Board members do not carry personal liability for the association’s obligations. Informal associations differ from formal ones, as they are established without any formal actions, without the obligations of statutes and without a notarial deed (Hamers, Schwarz and Zaman, 2013). Both formal and informal associations are subject to the non-profit distribution clause. According to the law (article 2:26(3) BW), an association is prohibited for having as its purpose the making of profits for distribution to its members. Beyond this restriction, associations cannot have as their purpose the disruption of public order, the initiation of hatred against certain groups of people, or the promotion of views that go against human dignity (article 2:20 BW). Apart from these basic regulations, associations are free to define their purpose and activities.

The second main legal form in the Dutch third sector is the foundation (*stichting*). According to the law, a foundation is defined as “a legal person created by a legal act which has no members and whose purpose is to realize an object stated in its articles using capital allocated to such purpose” (article 2:285 BW). Although the use of capital is mentioned in the legal definition of a foundation, there is no minimum requirement for the capital of a foundation in the

Netherlands (Voordelen van de stichting, s.a.). Often the founders become members of the board and make regular financial contributions to the foundations (Burger and Dekker, 1997). The amount of these contributions can be set freely. A foundation can be established by one or more persons. Like formal associations, foundations need to be established by a notarial deed that contains the statutes of the foundations. The statutes define the name and purpose of the foundation and the basis features of its internal organisations such as the appointment and dismissal of board members. The statutes also stipulate what happens to the assets of a foundation in case of its liquidation (article 2:26 BW). Like formal associations, foundations need to be registered in the Trade Register held by the Chambers of Commerce (*Kamers van Koophandel*). The names of the founders are mentioned in the registration. However, neither founders nor board members are liable for the foundation's financial obligations. As long as the foundation has not been registered, not only the foundation itself, but also the board members are personally liable for the foundation's obligations (Burger & Dekker, 1997). It is important to note that the nonprofit distribution clause also applies to foundations (Hamers, Schwarz and Zaman, 2013). This means that foundations, just like associations, are prohibited from distributing profit among its founders or board members.

The third organisational form in the Dutch third sector is the church or church community (*kerk* or *kerkgenootschap*). Freedom of religion is guaranteed in the Netherlands. According to the Dutch Constitution (article 6) each person is free to worship his or her own conviction, individually and with others. Churches have no official relationship with the state. In legal terms, a church is a particular form of nonprofit organisation that is not regulated by the Civil Code (Burger and Dekker, 1997). There are no legal requirements for establishing a church. Churches can have their own statute, as long as it is not in violation of the law (Burger and Dekker, 1997). Under the umbrella of churches, many faith-based organisations exist, particularly in the field of development aid. These organisations have their own legal form, mostly associations or foundations.

In addition to these three main types of organisations in the Dutch third sector, a number of cases exist that can be described as hybrid forms of organisations (Dekker, 2004; Brandsen et al., 2005). Associations, foundations and churches all clearly are of a nonprofit nature. According to the core conceptualization of the third sector, these organisations are thus situated at the heart of the third sector (Salamon and Sokolowski, 2014). A couple of additional organisational types can also be regarded as part of the third sector, if the particular organisations share a distinct social mission and a nonprofit distribution clause (Salamon and Sokolowski, 2014). Three separate types of organisations will be discussed in the following: (1) cooperatives, (2) mutuals, and (3) social enterprises.

From a legal point of view, a cooperative (*coöperatie*) can be described as a sub-category of associations. However, in the Netherlands, in contrast to regular associations, the nonprofit distribution clause does not apply to cooperatives. In practical terms, a cooperative is a form of self-organisation of producers or consumers. The traditional cooperatives evolved in the late 19th century. The legal definition of a cooperative is “an association that runs a business” (“een vereniging die een onderneming drijft”) (Hamers, Schwarz and Zaman, 2013: p. 317). This means that the cooperative is a special form of association that may be used for specific business purposes and can distribute project to its members (article 2.53 BW). From a legal perspective, cooperatives in the Netherlands can therefore in general not be regarded as a part of the nonprofit sector (Hamers, Schwarz and Zaman, 2013: p. 317; Muller 2013).

However, in practice, there are quite a number of cooperatives that can be attributed to the third sector, as they are sharing a distinct social mission and do not distribute profits among its members. Cooperatives can therefore be described as a hybrid organisations form: Depending on the question whether the organisations distribute profits or not, some cooperatives cannot be considered to be part of the third sector, while others with no profit distribution can. Many of the traditional cooperatives, such as banking house *Rabobank*, the supermarket chain *Coop* or the dairy cooperative *FrieslandCampina*, are large for-profit companies. In addition to the traditional cooperatives, however, the Netherlands have seen a renewed trend towards cooperatives. In recent years, the legal form of cooperative has gained popularity. Establishing new cooperatives have been particularly popular in the fields of energy, health care, social services and (ecological) food production. At present, about 7500 cooperatives exist in the Netherlands (Hamers, Schwarz and Zaman, 2013: p. 317). The tax law on cooperatives is complex and respects their special position between nonprofit organisations in general and for-profit companies (Burger and Dekker, 1997). Although cooperatives have the possibility to ask for an exemption from company tax, if they are nonprofit cooperatives, it is practically impossible to exactly distinguish between for-profit and non-profit cooperatives, as both have legally the same organisational form.

In addition to cooperatives, the Civil Code (2:53 2 BW) recognises mutuals and mutual insurance associations (*onderlinge waarborgmaatschappij*). A mutual insurance association is an insurance company owned entirely by its policyholders. The legal regulations of mutuals are similar to those of cooperatives. Like cooperatives, mutuals are a sub-category of associations. A mutual insurance association needs to be established by notarial deed. The purpose of the association is a mutual insurance. Similar to cooperatives, mutuals can be regarded as hybrid organisational form.

The third organisational form is the form of a social enterprise. In the context of the Netherlands, the debate on social enterprises is complex. One needs to differentiate between two entirely different meanings. The first definition of a social enterprise (*maatschappelijke onderneming*) refers to private organisations that are part of public service, e.g. in the fields of health, housing or education (Dijk and van der Ploeg, 2013). These organisations do not have a separate legal form, but are legally regular associations or foundations. Due to their bridging position between the public and private sector, these organisations are sometimes called semi-public organisations. Regarding fields of activity, semi-public organisations most commonly include hospitals, schools, nursing homes and housing cooperatives. During the government of the Christian-democratic Prime Minister Balkenende (2006-2010), there was a debate in the Netherlands to introduce a separate legal form for this type of ‘social enterprises’ (*maatschappelijke onderneming*). However, this debate never resulted in any concrete steps (Brandsen and Van de Donk, 2009).

The second definition of a ‘social enterprise’ refers to a for-profit company with a social mission. In this context, there is no Dutch translation, but the English term ‘social enterprise’ is commonly used. This understanding of ‘social enterprises’ is new in the Netherlands and it is unclear whether it will stick. It has been inspired by European discourses on social enterprises. The supporters of the idea regard ‘social enterprises’ as a successful combination between the idealistic values of the third sector and the dynamic of for-profit companies. According to the EU definition, a social enterprise can be defined as “an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders” (European Commission, 2011).

In the Netherlands, social enterprises do not have a separate legal form. Most existing social enterprises are private, for-profit organisations (Dutch: b.v.). According to the umbrella organisation ‘socialenterprise.nl’, social enterprises are defined by their social mission which should be at the heart of the organisation, or in the words of the umbrella organisation: “The social mission must be central, profit distribution among shareholders is possible, but reasonable in relation to the social mission” (Social Enterprise NL, s.a.). From a legal and practical point of views, the problem with this definition is that it is impossible to establish what a “reasonable profit distribution among shareholders” exactly is. One can disagree about it. As a result, at present, there is no univocal characterization of social enterprises in the Netherlands. A for-profit company can basically decide by itself whether it wants to follow a social mission and declare itself to be a ‘social enterprise’. Citizens would need to rely on the self-identification and description of the organisations. Despite these definitional problems, one can observe a new trend towards social entrepreneurship in the Netherlands. As of 2015, more than 300 social enterprises from more than 16 economic sectors have joined the umbrella

organisations 'socialenterprise.nl' that advocates for the promotion of social enterprises in the Netherlands (Social Enterprise NL, s.a.). This is of course only a fraction of organisations that potentially qualify for the label. At current, the movement of social enterprises is still minor in size and there has been no pickup in national policy debates. The development of social entrepreneurship can therefore be considered to be in a transitional phase (Witkamp et al., 2011).

Tax treatment is a legal issue that is essential for all third sector organisations. One can distinguish between two important regulations: (1) the taxes on the organisations and their activities on the one hand and (2) the regulations dealing with deductibility of contributions to nonprofit organisations from private or corporate donors (Burger et al., 1997).

Regarding the first type of regulations, nonprofit associations and foundations are exempt from company tax. If the associations and foundations pursue profitable activities that are in direct competition with business, they pay company tax only on the net profits of their commercial activities. Income from donations, contributions and investments are not subject to taxation (Burger et al., 1997). According to the Law on Company Tax (article 5), recognized housing corporations and public libraries are exempt from company tax (Burger et al., 1997). Corporations that have a purpose of general interest and for which the pursuit is of marginal importance, may be granted tax exemption from company tax by the Ministry of Finance (article 6, Law on Company Tax). For-profit cooperatives, however, are subject to company tax. If nonprofit organisations offer goods and services and charge remunerations, they are subject to value-added tax. However, many activities such as social assistance, health care services and education are exempt from value-added tax, if the services do not substantially compete with businesses (Burger et al., 1997).

In addition, charitable organisations with a so-called ANBI status benefit from certain tax advantages. The ANBI status is reserved to organisations that serve the interest of the public in general (*ANBI's: algemeen nut beogende instellingen*). Organisations that fall into this category are subject to a more favourable rate of 11 percent for gifts and death duties as compared to the general rate, ranging from 41 to 68 percent (Burger et al., 1997). Organisations that serve a specific social purpose (*SBBI's: sociaal belang behartigende instellingen*) qualify for even more generous tax advantages. Organisations with this status do not pay any taxes on gifts and death duties (Belastingdienst, s.a.).

Regarding the second type of regulations, Dutch tax law allows deductions of gifts to domestic institutions such as churches, charitable, cultural and scientific institutions as well as institutions that serve the general interest (Burger et al., 1997). To be eligible for deductions

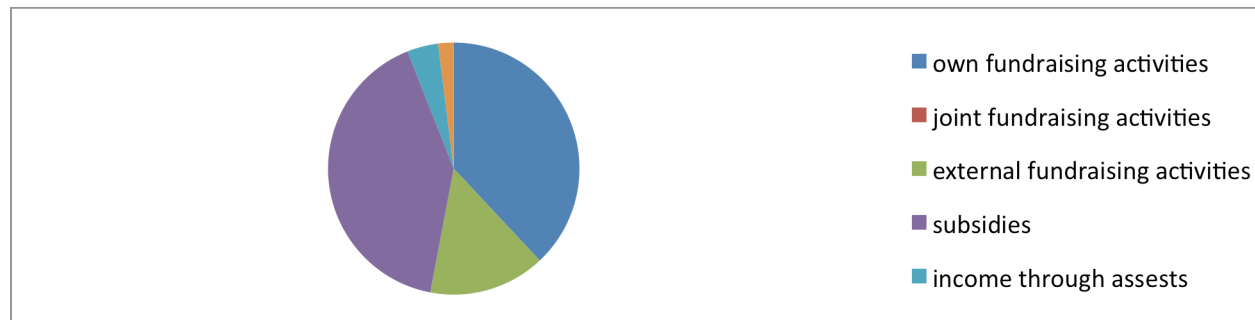
from personal income taxes, individuals must contribute at least one percent of their gross income to such organisations. The maximum deductible amount is 10 percent of gross income (Burger et al. 1997). Donations that can be regarded as expenses related to a profession or business of the taxpayer are subject to tax deductions without a limit (Burger et al. 1997). Overall, the Dutch tax regulations can be described as favourable to the development of third sector organisations in the Netherlands.

3.2. Financing

Third sector organisations in the Netherlands show a great diversity in organisational forms. This also holds true for their sources of financing. Many of the large health and social service organisations in the Netherlands are integrated into the funding mechanisms of their specific sub-sector. A non-profit hospital, for instance, is embedded in the health care system and does in its financing not significantly differ from a for-profit or public hospital.

In the 1990s, the *Johns Hopkins Comparative Nonprofit Sector* found that, if we take the whole sector together, government support is the dominant source of income for third sector organisations: In 1995, 60 percent of the revenue of third sector organisations was comprised of direct government support and health insurance payments, as compared to 38.3 percent of income from fees and charges and only 3 percent from philanthropy (Burger et al., 1999). We have to note here that this is aggregate data that includes information about income of a large number of different third sector organisations, including large semi-public organisation in the health or educational sector. However, also if we look at specific sub-groups of organisations, we can observe that the share of government subsidies and grants assumes a major position in the revenue structure of the organisations.

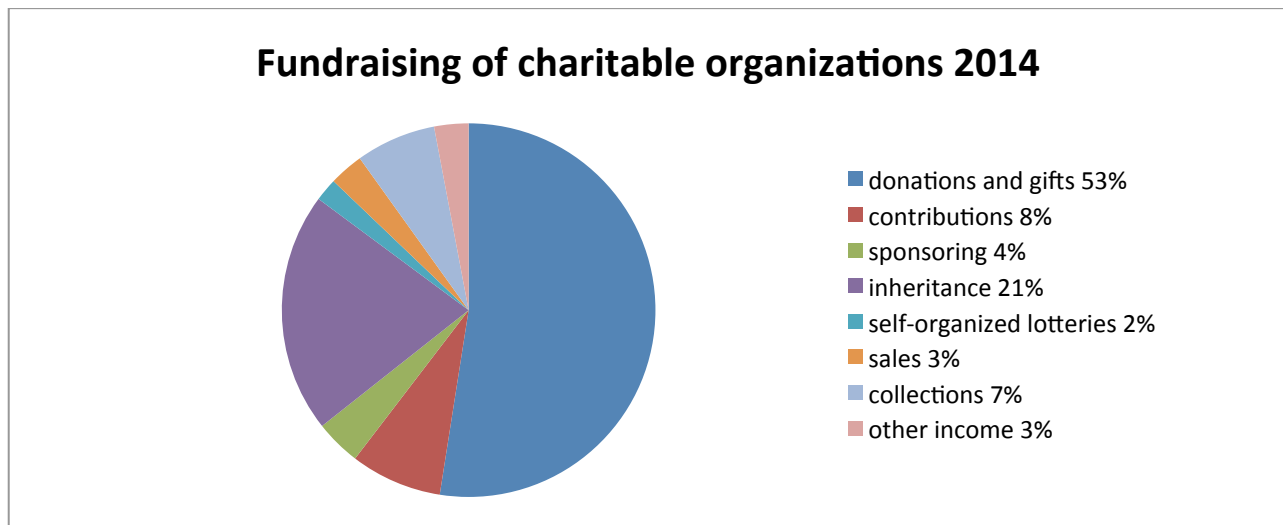
In charity organisations the share of private donations, through fundraising campaigns, is equal or even bigger than the share of government subsidies and grants. In 2014, charity organisations have received 41 percent of their income from government subsidies, as compared to 38 percent from their own fundraising activities and 15 percent from external fundraising campaigns and 4 percent from assets (VFI Brancheorganisatie van goede doelen, 2015).

Figure 2. Revenue structure of charitable organizations in 2014

Source: (VFI Brancheorganisatie van goede doelen, 2015).

Income from private donations, generated through fundraising activities, is particularly important for small and middle-sized charitable organisations. In 2014, small organisations with an annual budget of less than 5 million EUR generated 76 percent of their income through their own fundraising activities and an additional 10 percent through external fundraising activities (VFI Brancheorganisatie van goede doelen, 2015). Middle-sized organisations with an annual budget between 5 and 20 million EUR generated 58 percent of their income through their own fundraising activities and an additional 13 percent through external fundraising activities (VFI Brancheorganisatie van goede doelen, 2015). Large organisations with an annual budget of more than 20 million EUR generated 33 percent of their income through their own fundraising activities and 16 percent through external fundraising activities (VFI Brancheorganisatie van goede doelen, 2015). This comparison shows that government subsidies are more important for large charitable organisations, whereas the revenue structure of small and middle-size charitable organisations is predominantly based on private donations, raised through fundraising activities.

Within the income, generated by fundraising activities, private donations and gifts make up the most important share with 53 percent in 2014 (VFI Brancheorganisatie van goede doelen, 2015). Other important fundraising channels include inheritance (21 percent), member contributions (8 percent), collections (7 percent) and sponsoring (4 percent).

Figure 3: Fundraising

Source: (VFI Brancheorganisatie van goede doelen, 2015).

This overview shows that next to donations and gifts inheritance forms an important source of income for charitable organisations.

The financing of the third sector is changing. Opinions differ with regard to the question whether the economic crisis had a significant impact on the third sector in the Netherlands. In the interviews with TSO representatives and the online survey, conducted in the framework of the TSI project, many organisations mentioned difficulties in generating income for their organisations. Furthermore, many interviewees described a changing funding environment as a key barrier to the organisational development of their organisations. The organisations reported a decrease in structural funding and an increasing competition within the sector. As a result, many organisations feel themselves forced to seek for new sources of income, e.g. sponsoring instead of government grants.

Not all organisations are equally affected by decrease in the amount of available public funding. Particularly affected are those organisations that have been heavily dependent on subsidies and structural funding from the government. In many areas, e.g. in the field of patient organisations, government support has been dramatically reduced with far-reaching consequences for the affected organisations (interview #11, TSO representative). Many organisations are now receiving far less structural. Many organisations had to dismiss staff members and reduce programme activities. Some umbrella organisations were forced to merge as a result of decrease in governmental funding (interview #11, TSO representative).

The changes in the funding environment were described as challenge for the organisations. Many TSOs that used to rely of subsidies have lost their certainties and need to adapt to new conditions. Many organisations describe that they “need to do better with less” (TSI online survey). The changes also mean that the organisations face increasing demands for accountability (interview #5, TSO representative). The organisations have to proof that their work is worth the money invested in them. As a result, communication and PR strategies become more important in the Dutch third sector.

Many organisations describe a dilemma: They need to renew themselves, while at the same time adhere to ‘old’ rules that are imposed on them by government subsidy regulations and external donors. The increased accountability mechanisms, often described as ‘bureaucratic’, make that organisations have less time for programmatic work. Many organisations therefore describe the funding mechanisms as an impediment to their organisational development (TSI online survey: open question about barriers). One TSO representative explained: “The bureaucratic accountability mechanisms towards donors make that we lose a lot of time and money” (TSI online survey: open question about barriers). Organisations described it as particular problem that they need to invest a lot in the preparation of grants without having the certainty to receive funding, as one TSO representative explained: “Many of our financial resources are wasted because of the funding system. We invest a lot of energy in applications for subsidies and grants which work with a competitive tender system. If we do not win a grant, we lose the costs for investment and development.” (TSI online survey: open question about barriers). Furthermore, the adoption of market-type mechanisms is described critical by many organisations: “We need to function like a business organisation without being one” (TSI online survey: open question about barriers).

The development of third sector financing and the impact of changes in the funding mechanisms differ across policy fields. In the paragraphs on the specific policy fields, we will more specifically discuss the development of third sector financing in the policy fields.

3.3. Image and public support

The public image of third sector organisations in the Netherlands is generally very positive. On the whole, the interviews with TSO representatives indicate that the Dutch population has a positive attitude towards third sector organisations. The high rates of volunteerism and private donations for charitable purposes show that third sector organisations enjoy the support of wide parts of the Dutch population.

The overwhelming majority of the TSO representatives, interviewed for the TSI study, describe the societal environment of their organisations as favourable. However, many organisations also explained that it has become more difficult to explain the added value the organisations aim to create in society. Whereas in the past it was often sufficient to have a good reputation, the organisations are now required to show the effectiveness of their work, as one TSO representative explained: “It is not enough anymore to be a charitable organisation. You have to prove that you in fact achieve your objectives and created impact.” (interview #5, TSO representative). In general, the public in the Netherlands has become more critical towards third sector organisations and demands more accountability and transparency: “It is a general trend in society that nonprofits are watched much more critically nowadays. [...] You can also see this in the criticism about grievances in some organisations. They also have an effect on us. The whole sector is treated more sceptically.” (interview #5, TSO representative).

Especially in the case of charitable organisations, the public and particularly private donors demand accountability and transparency. They want to see how the organisation is working and how the money is spent. As a result, TSOs need to invest more in strategic planning and public relations. They do their work successfully, but also communicate their results to the public. For many third sector organisations, it becomes more important to work with the media and to use social media channels to present their results.

Financial scandals in some organisations, e.g. the embezzlement or cases of corruption, have a negative impact on the sector as a whole. One TSO representative explained: “When there is a newspaper report about an NGO director who took a private plane to fly from Luxemburg to his office in the Netherlands, we immediately receive questions from the public, on the telephone. People ask us, how do you deal with these issues? Questions such as the use of public money and salaries for board members have become extremely important. Our response is that we explain more and account for our work. We make this open on our website.” (interview #5, TSO representative).

Over the past decade, large semi-public organisations in the Netherlands have especially been facing criticism from the public. Many of these organisations have been perceived to be bureaucratic and intransparent. These features are regarded to facilitate corruption and other malpractices in the organisations. Housing cooperatives are a case in point. In 2014, a Parliamentary Investigation Committee investigated the activities of large housing cooperatives in the Netherlands. The report which was published in 2014 showed that number of cases of corruption had occurred in housing cooperatives, which were attributed to inadequate supervision in the housing sector [Tweede Kamer, Hoofdrapport Parlementaire Enquête Woningcorporaties, 2014].

The blurring of boundaries between the public and the private sector is a problem for many organisations. They experience difficulties to position their organisation and communicate this to the public. One TSO representative explained: “In general, the average citizen does not understand anything about how the nonprofit sector works. You have so many different organisations. There is a lot of overlap and contradiction. [...] I do not think that people in the Netherlands really have an understanding how this sector is working.” (interview #11, TSO representative).

In some policy fields, e.g. in refugee assistance and international aid, third sector organisations have experienced a decrease in trust and solidarity. Policy support in the general population is on the decline, particularly when it comes to contentious issues. This has a negative impact on the work of organisations in these specific fields. One representative explained: “We see a growing cynicism in the overall population. [...] Solidarity, doing good, not thinking only about yourself – these words alone already arouse suspicion. The sector has been forced onto the defensive and finds it difficult to get out of this.” Community organisations that directly involve citizen and provide a palpable benefit to the local community, on the contrary, find it easier to create support. Overall the support for third sector in the Netherlands has not diminished over the past two decades.

3.4. Advocacy and access to political decision-making

In the 1990s, the *Johns Hopkins Comparative Nonprofit Sector Project* found that the sector in the Netherlands is dominated by organisations that are working in social service delivery (Burger et al., 1999). According to the project, the majority of Dutch nonprofit organisations are active in the fields of health, education and social services, which together make up more than 85 percent of all organisations in the nonprofit sector (Burger et al., 1999). The share of organisations that identify as advocacy organisations, has, in contrast been very low. In the 1990s, these organisations accounted for only 1.6 percent of all organisations which is even lower than the Western European average, in which advocacy organisations made up a share of 3.3 percent of all nonprofit organisations (Burger et al., 1999).

Paradoxically, third sector representatives interviewed in the TSI study, defined advocacy as an important function of the third sector in the Netherlands. This is because advocacy is not confined to specific advocacy organisations, but is part of the everyday work of many organisations, independent of the policy field the organisations is working in. Much of it happens informally, outside of formal consultations, which makes it notoriously hard to track

(Brandsen and Van de Donk, 2009). Yet, the interviews, for this project and others, consistently point to a strong element of advocacy, alongside the service function of many TSOs.

Advocacy work and a productive relationship with political decision-makers were seen as advantageous for the Dutch third sector. It can be argued that many third sector organisations in the Netherlands conduct successful lobby work and have a significant impact on political decision-making processes. Most organisations realize this impact through informal contacts with political decision-makers. This particularly holds true for the larger, country-wide umbrella organisations, e.g. the Association of Dutch Voluntary Effort Organisations (Dutch: Vereniging Nederlandse Organisaties Vrijwilligerswerk). The organisation promotes the development of voluntary work and regularly uses advocacy strategies to assert influence on political decision that are directly or indirectly linked to the mandate of the organisations. Third sector networks make use of different lobby groups for different advocacy purposes. Furthermore, the media forms an important instrument for advocacy.

In assessing lobby and advocacy work of third sector organisations, one needs to distinguish between the public relation activities directed towards the organisation and its development and the advocacy regarding the objectives of the organisation. Most third sector organisation focus on a specific policy field and accordingly have network with policy makers and other organisations in this field (TSI focus group discussion 2014).

Furthermore, one needs to consider the specific importance of the local level in political decision-making (TSI focus group discussion). The process of decentralization also with regard to advocacy leads to a shift towards the local level. Third sector organisations increasingly attempt to assert influence with regards to local institutions, e.g. municipalities and local organisations. As a result, the organisational landscape has become more diverse (TSI focus group discussion). Advocacy work at the local level can show different results. In a positive scenario it can lead to co-creation in the delivery of social services (TSI focus group discussion). However, it can also mean that some concerns do not receive the necessary attention, as they do not have a strong enough lobby. Overall, advocacy work at the local level implies a stronger personal commitment (TSI focus group discussion). People are more affected by local decisions and therefore feel more concerned which can have positive or negative effects. A greater variety of local organisations leads to fragmentation of local advocacy work. For umbrella organisations in the third sector, decentralization also means that the organisations need to focus more on local sub-divisions and partner organisations.

Credibility forms an essential ingredient for successful advocacy work (TSI focus group discussion). Without credibility with regard to organisational objectives and activities, third

sector organisations cannot conduct effective lobby and advocacy work. In addition, the relationship towards the state forms an important question. In the country as the Netherlands, the third sector can receive government funding and at same time fulfil the function of an independent “watch-dog”. However, the balance in the interrelation with the state is essential for the third sector and needs to be negotiated (TSI focus group discussion).

4. Policy fields

This part of the national report is dedicated to the analysis of third sector organisations in four policy fields: (1) health and social services, (2) sports, (3) culture and arts, (4) and international cooperation. For each policy field, first the overall situation of third sector organisations in the policy field will be characterized. Second, specific barriers or challenges to organisations in this field will be discussed. Third, it will be highlighted how TSOs in the respective policy field deal with the challenges they face and to what extent they have been successful in overcoming barriers and creating impact in the areas the organisations are working in.

4.2. Social services and health

The social and health sector clearly dominates the third sector in the Netherlands. Of all types of third sector activity, the one that accounts for the largest share of employment is health (Burger et. al., 1999). 42 percent of third sector employment is in the health sector (Burger et. al., 1999: p. 152). As health institutions mostly take the nonprofit legal form (they are often established as foundations), private third sector organisations account for 70 percent of employment in the health care sector (Burger et. al., 1999). Most of these organisations are dominated by professionals and operate within the same conditions as their public and commercial counterparts. There is no evidence to suggest that they are fundamentally distinct in how they carry out their functions (Brandsen et al., 2005).

Among TSOs in social and health services where volunteers play a significant role, one can distinguish between two major types: (1) service providers (*welzijnsorganisaties*); these organisations are integrated into the welfare system and hardly recognizable as organisations that emerged from civil society, and (2) advocacy and self-help groups in the social sector as for instance patient organisations; these organisations operate from bottom-up and sometimes nation-wide unite in umbrella networks. Patient organisations represent the rights and interests of patients who are affected by a specific disease. Many patient organisations combine the functions of service delivery and advocacy. This means that the organisations provide services to their members, e.g. health information, support groups and health-related

services. In addition they are active in advocacy which means that they strive to improve the situations for patients in their specific field. Patient organisations and other local health organisations often unite to country-wide networks in order to join forces in advocacy. One example for a country-wide umbrella organisation is Ieder(in), the Dutch network for people with a physical disability, mental disability or chronic illness (Ieder(in), s.a.). Ieder(in), unites 250 member organisations which makes it the largest network for people with disabilities in the Netherlands. According to its own estimation, the organisation represents the interests of more than two million people in the Netherlands. This number includes all people who are directly or indirectly affected by chronic disease or disability.

It is unclear how recent developments in the welfare state will affect the position of the third sector. In 2015, several laws on social assistance and service were merged and decentralized. They were accompanied by severe budget cuts and a sometimes rough administrative transition, as various agencies struggled to adapt to their new responsibilities. Third sector organisations, too, need to redefine their cooperation with municipal administrations and vice versa. Theoretically, the new laws will create more room for local experimentation and diversity. At the time of writing, it is still impossible to know how this will play out.

The decentralisations were accompanied by discourse on a so-called ‘participation society’ (*participatiesamenleving*), a concept that describes a trend towards greater individual responsibility in the context of a retreating welfare state. In the field of social welfare and health, participation means that individuals are asked to organise on the basis of their individual network (family members, neighbours, and friends). Only if the capacities of this network are exhausted, state-financed support and care programmes come in. Although the idea of the ‘participation society’ may sound particularly relevant for the development of TSOs in the policy field of health and social services, it remains to be seen whether it has any real effects (in the same way that, in the UK, one wonders about the reality of the Big Society). In general, the practitioners and experts that participated in the TSI stakeholder meeting assessed the ‘participation society’ as a positive development, while not putting aside the potential pitfalls of the new trend (Focus group discussion, 24 October 2014). From a positive side, the ‘participation society’ may result in strengthening local ownership and introducing a better small-scale organisation in the social sector (Focus group discussion, 24 October 2014).

However, the current debate on the ‘participating society’ initiated by the liberal-social-democratic government has been focusing strongly on individual participation, particularly in relation to informal care in the family or the immediate social environment. It did not explicitly link to broader notions of volunteering, let alone to the third sector. In the context of the ‘participation law’ (*Participatiewet*), introduced in 2015, the notion of participation is largely

linked to labour market interpretation and therefore becomes almost synonymous with the “activating welfare state” or “social investment state”. Furthermore, the fact that the discourse was accompanied by strong budget cuts has made it rather suspect in the eyes of many people. Citizens were called upon to take responsibility in caring for family, friends and neighbours, at a time when retirement homes were being closed down and funds for domiciliary care were reduced. Whatever the merits of the idea, the timing did not help. Therefore the ‘participation society’ may not survive a change of government.

All in all, the new developments have made the environment for third sector organisations in social services and health become more demanding. It remains to be seen whether there will be more participation as a result of recent development and, if so, whether the third sector will play a major role in organizing it.

4.2. Sports

Sports organisations form an important part of the third sector in the Netherlands. Most sports organisations are typical membership organisations; they offer services, e.g. sport classes, training, tournaments, insurances and equipment to their members. Sports organisations are also described as club-type organisations. The majority of sports organisations offer recreational sports facilities to their members with the objective to facilitate joint sports activities such as cycling or playing soccer in a team. Some of the large football clubs in the Netherlands such as Ajax Amsterdam have thousands of supporters and offer a great deal of their services to spectator fans. About one third of the Dutch population is active member of a sports organisation (Tiessen-Raaphorst and Van den Dool, 2012). The national umbrella organisation in the sports is the “Nederlands Olympisch Comité * Nederlandse Sport Federatie” (NOC*NSF) which unites 91 national sports organisations with approximately 25,000 local sport clubs and in total 5.2 million organized members (NOC*NSF, 2014). In the following, first, information on sport participation will be presented. Second, the situation of sports organisations, including funding and facilities will be illustrated. Third, the barriers of sports organisations, as indicated in the interviews and online survey, will be discussed.

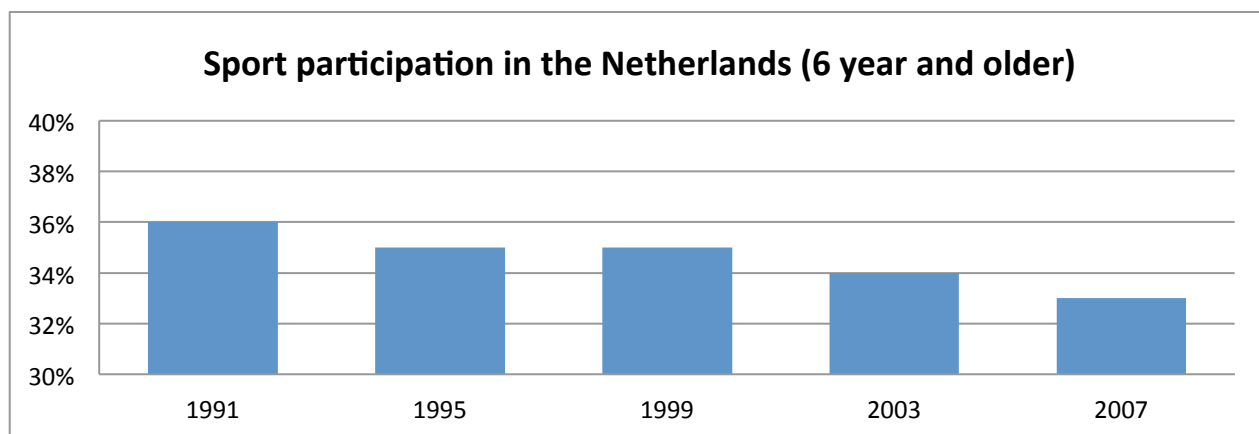
Many sports organisations have a long tradition that reaches back to the 19th century when the physical culture and sport movement started in Europe and the first sports organisations were established (Interview #19, TSO representative). The Royal Dutch Football Association, for instance, was founded in 1889; the Royal Dutch Athletics Federation in 1895 and the Royal Dutch Korfbal Association in 1903. In general, one can observe a high degree of voluntary input in sports organisations. Many functions, such as trainers or referees, are carried out by volunteers. Often active members are also volunteers, e.g. by serving as trainer or referee.

Many local sports organisations have no or only a few paid staff members. Overall, sports organisations in the Netherlands benefit from a high reputation and are supported by a wide range of the populations. In addition, sport is considered to be beneficial to public health and thus an important element of disease prevention. Sport organisations are therefore supported by the Dutch government and by municipalities.

NOC*NSF monitors sport participation in the Netherlands on a monthly basis. Sport participation is thereby defined as the percentage of the population from 5 to 80 years of age that at least once per week exercises (NOC*NSF sportdeelname index, s.a.). In December 2015, sport participation in the Netherlands stood at 53 percent which means that 53 percent of the Dutch populations have exercised sports at least once per week. The policy objective, formulated by NOC*NSF and Dutch municipalities is to raise sport participation to 60 percent (NOC*NSF sportdeelname index, s.a.). Special attention is paid to sport participation among children and youth. Together with the health care insurance company Zilveren Kruis, NOC*NSF has developed a specific index to monitor sport participation among young people up the age of 18 years: the Zilveren Kruis Sport Index. According to this index, in December 2015, 70 percent of all children and teenagers until 18 years of age exercise at least once per week (Zilveren Kruis, s.a.).

The development of sport participation has declined only very slightly over the past 25 years (Statistics Netherlands, s.a.). Whereas in 1991, 36 percent of total population was an active sportsman or sportswoman (here defined as active member of a sports organisation), it was 33 percent in 2007. Overall, more men are active in sports than women. In 2007, 36 percent of the male populations were active in sports as compared to 31 percent of the female population.

Figure 4: Sport participation

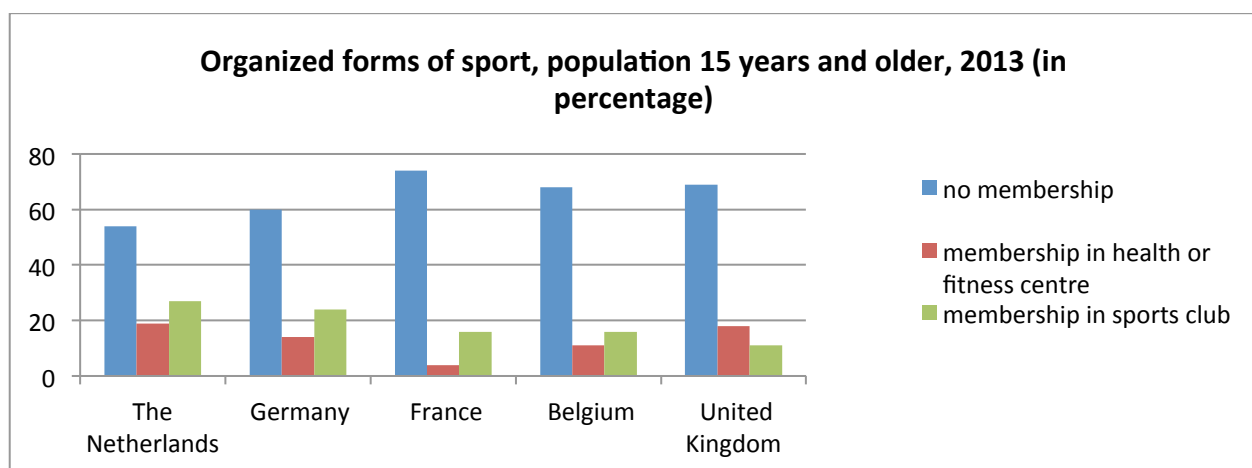


Source: CBS Statistics Netherlands, Statline 2015: active and passive sport participation

The varieties of sport activities in the Netherlands are diverse. Membership in a sports organisation is by far not the only form of exercising. Next to the sportsmen who are members in sports organisation, many other Dutch people exercise sports on an individual or informal basis. In 2012, 50 percent of the Dutch population exercises individually, 38 percent on an informal basis, 33 percent in a sports club, 18 percent with a commercial provider (often a fitness centres, but also swimming pools, ski halls) and 14 percent in other contexts (Tiessen-Raaphorst, 2015). This comparison shows a growing trend towards individualization and informality in the field of sports. The level of sport activity remains high, but the forms of activity are increasingly becoming more diversified which leads to a growing competition between traditional sports organisations and for-profit providers as well as informal sport activity.

In international comparisons, sports participation in the Netherlands is high. According to the data from the Euro barometer, in 2014, 27 percent of the Dutch population exercised in a sports organisation, as compared to 24 percent in Germany, 24 percent in France, 16 percent in Belgium and 11 percent in the United Kingdom (Tiessen-Raaphorst, 2015). In addition, 19 percent of the Dutch population was member of a health- or fitness centre, as compared to 14 percent in Germany, 4 percent in France, 11 percent in Belgium and 18 percent in the United Kingdom (Tiessen-Raaphorst, 2015). Figure 5 shows organized sports (membership in sports clubs and health and fitness centres) in five European countries, among which the Netherlands which shows the highest percentage of organized forms of sport.

Figure 5: Organized forms of sport



Source: Euro Barometer 2014, cited from Tiessen-Raaphorst 2015

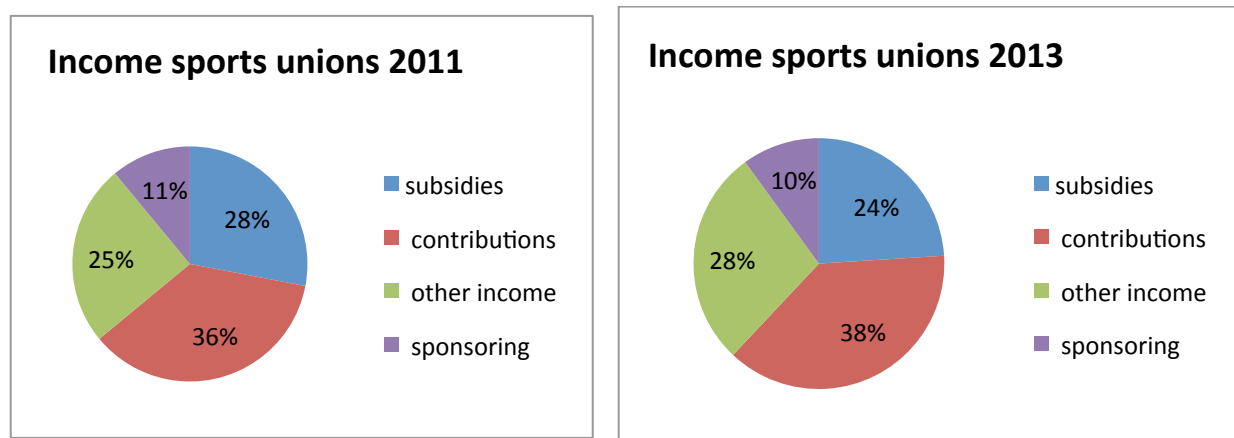
How important sports is in the Netherlands is, also becomes apparent when compared to other European countries. According to the Directorate-General for Education and Culture, 12

percent of the population in the European Union on average has been a member of a sports club in 2014. In the Netherlands, this percentage is 19 percent (Tiessen-Raaphorst, 2015). The rate of organized forms of sport is also relatively high in the Netherlands. In a survey, only 54 percent of the Dutch population indicated that they are not member of a sports organisation or private health fitness centre. Only in Denmark and Sweden, the rate of organized forms of sport is higher than in the Netherlands (Tiessen-Raaphorst 2015). Here the percentage of non-members or non-users of sport clubs and fitness centres is only 47 percent (Tiessen-Raaphorst, 2015).

Given this high significance of sports in the Netherlands, third sector sports organisations have a strong position in the Netherlands. The national umbrella organisation NOC*NSF monitors the financial and organisational situation of Dutch sports organisations, the so-called sport unions (*sportbonden*). The annually published Sportbonden Monitor shows that sports organisations in the Netherlands enjoy a stable development (NOC*NSF Sportbonden monitor, 2013). There is no major impact of the economic crisis on third sector organisations in sports.

In 2013, the overall income of the sports unions was 253.8 million EUR. The income of sports unions is composed of four major sources of income: (1) member contributions, (2) subsidies, (3) sponsoring and (4) other income sources (NOC*NSF Sportbonden monitor, 2013). Although the overall financial situation of the sports unions can be regarded stable, the organisations do face an effect of the economic crisis. Structural funding for sports organisations is on the decrease. To compensate, sports unions are forced to increased membership fees. Between 2011 and 2013, the share of contributions in the overall revenue structure rose from 36 percent to 38 percent. In figure 6 the development of income distribution in sport unions is shown.

Figure 6: Income distribution of large sport unions 2011 - 2013



Source: NOC*NSF Sportbonden monitor, 2013

The decrease in subsidies is compensated by an increase in contributions and other income. One can conclude that as a result of the economic crisis, sports organisations have been facing a decrease in structural funding. However, the number of organisations has stayed the same. The overall income of sport unions is slightly decreasing. As NOC*NSF indicated, there are more sport organisations in 2013 that were facing serious financial difficulties. In general, the umbrella organisation concluded that even “sport organisations have not escaped the effect of the economic crisis” (NOC*NSF Sportbonden monitor, 2013). In comparison to other policy fields, however, the development in the sports sector can be regarded to be stable. In recent years, many sports organisations have started to employ business-like financing models. Many organisations, for instance, have begun to offer paid services to members or organized commercial sports events (interview 18 and 19, TSO representatives).

In the interviews with representatives of sports organisations in the Netherlands, a number of challenges for the sector have been mentioned. First, a general trend towards individualization can be observed. In recent years, more people have turned towards individual sport activities, e.g. jogging, hiking or swimming, which are usually exercised on an individual basis and does not require the participation in formalized organisations or sports clubs. As a result, sports organisations in the Netherlands are confronted with a decrease in their membership. This observation is also supported by the data from the monitor. In 2013, the overall membership in Dutch sport organisations falls to 5.3 million which represents a decrease of 2 percent (NOC*NSF Sportbonden monitor, 2013). The most popular sports in the Netherlands are fitness, jogging and swimming which are often practiced on an individual basis (NOC*NSF Sportbonden monitor, 2013).

A second challenge that is signalled by TSO representatives is the growing competition with for-profit providers such as fitness centres or other private sports facilities. Because of the general trend towards individualization in sports, more people feel attracted to the services of for-profit providers which are often more flexible than the traditional sports unions. In addition, more people have an interest in trend sports or adventure sports such as paragliding and diving, which are often offered by for-profit providers.

In order to deal with the challenges, sports organisations have adopted a number of coping strategies. Most sport organisations, for instance, were able to compensate falling government subsidies by increasing membership fees (NOC*NSF, 2014). Only a minority of sports organisations experienced serious financial problems in the aftermath of the financial crisis. In 2014, the sport umbrella observed a financial stabilization in the subsector sport; the number of sport organisations which experience financial difficulties has been decreasing. This is

attributed to the opportunity of compensating through member contributions and income generated through paid services (NOC*NSF, 2015).

In addition to increasing the income of membership fees and sponsoring, sports organisations have developed new ways of creating income. Sport organisations have increasingly started to employ business-like financing models. The Royal Dutch Athletics Federation is a case in point. The organisation offers a broad range of services to runners and thereby successfully connects to the general trend towards jogging. Paid services include training schemes, sport advice, health information and the organisation of large running events (Atletiekunie, s.a.). The Royal Dutch Athletics Federation also cooperates with for-profit companies, e.g. producers of sport clothes or travel agencies that offer specific deals for runners. In their competition with for-profit companies, sport organisations can profit from their volunteers. The organisation of sports events is more cost-effective with the input of large numbers of volunteers (interview #18, TSO representative). Regarding their financial management, sports organisation seek to strengthen their cooperation with for-profit companies, e.g. in the exploitation of sports facilities.

A second coping strategy is the introduction of flexible forms of membership (interview #18, TSO representative). By offering different of membership, sports organisations seek to counter decreasing membership. In addition, the umbrella organisation NOC*NSF has developed a policy document entitled “Sport Agenda 2016”. With this policy, sport organisations seek to increase active sport participation and membership in the Netherlands (NOC*NSF Sportbonden monitor, 2013). The specific objective, outlined in the agenda, is to preserve the number of 10 million active sportsmen and sportswomen in the Netherlands and gain an additional 1.5 million new sportsmen and sportswomen. In order to realize this objective, NOC*NSF as well as national and local sports organisations cooperate with the Dutch government and with municipalities. Overall, one can conclude the third sector has a strong position in the field of sports. TSOs enjoy support both from political decision-makers and from the population.

4.3. Culture and arts

The field of culture and arts is very heterogeneous. One can find many private initiatives in all areas of cultural activity such as museums, music clubs, orchestras, historical societies, private art collections, non-profit theatre groups, community festivals and many more. In contrast to social welfare organisations that in the first instance fulfil a public service function, most cultural organisations fulfil a function of self-realization. People usually set up cultural initiatives most often, because they seek to unite with like-minded others who share the same cultural interests such as making music or enjoying art. In addition to this function to their members,

cultural organisations play an important role in civic education and cultural heritage preservation.

Culture and arts have a long tradition in the Netherlands. Important art collections are of private origin. Throughout the history, arts and culture have flourished due to widespread philanthropic support. Many cultural organisations and foundations can look back on a long history. Until present, culture and arts enjoy a lot of support in Dutch society, which becomes apparent when one takes into account the high numbers of private donors and volunteers who support cultural initiatives. In the 19th century the development of cultural organisations in the Netherlands was closely linked to the idea of ‘volksverheffing’, a term that can roughly be translated as ‘cultural empowerment’ (interview #17, TSO representative). Cultural organisations were established to give everyone in society access to education and cultural formation. This was seen as an important step in strengthening welfare and creating cultural and national identities (interview #17, TSO representative).

How does the cultural sector in the Netherlands look like today? There are a broad variety of different organisations. Many of these organisations are private. Among private organisations one can find both for-profit and non-profit organisations, whereby for-profit organisations form a majority. Most of the revenue of the cultural sector in the Netherlands is generated through market activities. These include private theatre companies, publishing houses, private museums, media agencies, entertainment companies and many more.

According to government information, in 2009, the total turnover of the cultural sector in the Netherlands amounted to approximately 18 billion EUR (Ministerie van Onderwijs, Cultuur en Wetenschap, Cultuur in beeld, 2011). More than two thirds of this overall turnover was believed to be created through market activities. The subsidized part of cultural sector, on the contrary, had an overall turnover of 5 billion EUR (Ministerie van Onderwijs, Cultuur en Wetenschap, Cultuur in beeld, 2011). But also in this – mainly non-profit – part of the cultural sector, an important share of revenues comes from market activities. Other parts of the revenue come from public funds, especially in the form of grants from local authorities, central government (including public culture funds) and provinces. The market is, thus, by far the largest source of funding for culture (Ministerie van Onderwijs, Cultuur en Wetenschap, Cultuur in beeld, 2011).

The relevance of the market in the revenue structure of cultural organisations also becomes apparent when one looks at their organisational form. Although many cultural organisations still carry a name that relates to the public sector, e.g. municipal or national museum, many cultural organisations are in fact private and not public organisations. Museums and cultural

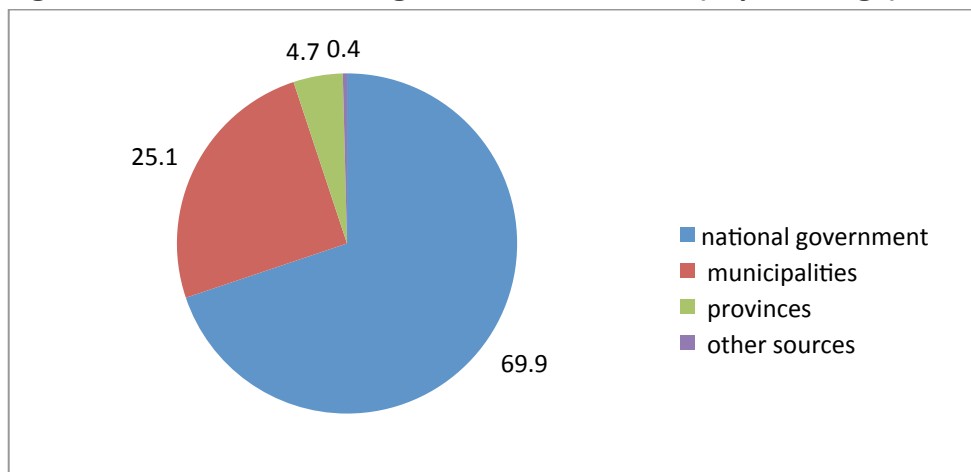
heritage organisations are good examples for this development. Many museums were once established under the aegis of a city, a province or the central government, but were later transformed into private organisations. The Centraal Museum in Utrecht, for instance, is one of the oldest municipal museums in the Netherlands. It was founded in 1838 by the initiative of the mayor who sought to strengthen the knowledge of antique history in the city of Utrecht. Also in other parts of the country, historical organisations and museums mushroomed in the 19th century. Often the initiative was taken by members of the local elite. Many museums, such as the Centraal Museum in Utrecht, were part of the municipality. Other museums, such as the Rijksmuseum in Amsterdam, established in 1800 as a national museum, were part of the central state. Other museums emerged on the basis of private collections. The Kroeller-Müller art museum, for instance, was opened in 1938 on the basis of a private art collection and has always been a private museum.

Although museums historically have different origins and used to differ in terms of organisational ownership (municipal, provincial, national and private museums), they have grown to more closely resemble another. Over the past 20 years, many municipal and national museums were privatized and transformed into private, non-profit foundations. Although preserving its brand name as national museum, the Rijksmuseum was privatized in 1995, when it became a foundation with a supervisory board and a board of directors (Rijksmuseum, s.a.). The collection of the museum, however, remains property of the Dutch state. The Centraal Museum in Utrecht, as an example of a municipal museum, was transformed into a private foundation in 2013. A similar privatization trend has been observed in other cultural fields such as theatres and concert halls. As a result, the share of cultural organisations with a private, non-profit form has increased in the cultural sphere. The most common organisational form is that of a foundation with a supervisory board (*raad van toezicht*) and a board of directors (*raad van bestuur* or *directie*). In addition, many cultural organisations are functioning in a network of associated organisations. Museums often collaborate with associations that unite the supporters, or ‘friends’, of the museum or work together with a special foundation for the support of its collections.

The context conditions for third sector organisations in the policy field of culture and art have undergone many changes in recent years. In order to understand these changes, one first needs to explain the changes in public policy in the field of arts and culture. The central government creates the conditions for the preservation, development and promotion of culture in the Netherlands (Rijksoverheid Kunst & Cultuur, s.a.). The responsible government institution is the Ministry of Education, Culture and Science. The most important changes in public policy have been the following: (1) privatization of cultural organisations, (2) decrease of governmental funding to cultural organisations and (3) strengthening of cultural entrepreneurship. It is the

declared goal of public policy “to make the cultural sector less dependent on government support” (Rijksoverheid Kunst & Cultuur, s.a.). At the same time, the Dutch government is “committed to promoting high-quality culture across the country” (Rijksoverheid Kunst & Cultuur, s.a.). In January 2013, the Dutch government adopted a new subsidy framework for the cultural sector, called ‘cultural basis infrastructure’ (Rijksoverheid Kunst & Cultuur, s.a.). Within this framework, a number of cultural organisations receive structural funding from the government which can take three different forms: (1) the ‘cultural basis infrastructure’ itself, (2) perennial funding from cultural foundations, and (3) structural funding via the so-called plan for arts which is provided by municipalities (Rijksoverheid Kunst & Cultuur, s.a.).

Among the different sources of government funding, funding from the national government is most important. According to information of the Ministry of Education, Culture and Science, 69.9 percent of government subsidies at present come from the national government, 25.1 percent from municipalities, 4.7 percent provinces and 0.4 percent from other sources (OCW in cijfers, s.a.). Next to national government, municipalities play a significant role in financing the cultural sector. They provide for local project. In addition, artists can apply for individual support, e.g. in the form of cultural scholarships. Overall, government funding in the cultural sector can be divided into structural funding and project funding. Cultural organisations that do not receive structural funding from the national government, can apply for funding from six large cultural funds (*cultuurfondsen*) which are financed by the government and focus on specific sub-fields of culture such as film, performing arts, literature or architecture (Rijksoverheid Kunst & Cultuur, s.a.). Next to these governmental funds, there are a number of private funds that finance cultural initiatives in the Netherlands. Well-known private funds include the VSBfonds, the Prince Bernard Cultural Fund en the VandenEnde Foundation. The Prince Bernard Cultural Fund stimulates private philanthropy and offers advice to individuals on how they can best donate or establish their own cultural foundation under the umbrella of the fund.

Figure 7: Government funding in the cultural sector (in percentage)

Source: Ministry of Education, Culture and Science (OCW in cijfers, s.a.)

The main objectives for cultural policy in the Netherlands are the following: (1) cultural education, (2) innovation and talent development, (3) cultural entrepreneurship and (4) internationalization (Rijksoverheid Kunst & Cultuur, s.a.). For the time period 2017 to 2010, the Ministry of Education, Culture and Science provides 18 million EUR in the development of culture and arts in the Netherlands (Rijksoverheid Kunst & Cultuur, s.a.).

The policy framework also sets the basis for the internal organisational structure in the cultural sector. In 2006, the so-called Governance Code Culture was adopted which offers a normative framework for good governance and oversight in cultural organisations (Governance Code Cultuur, s.a.). With the code, the organisations and their responsible directors and supervisors subscribe to standards of good governance in the cultural sector. The code is supported by the Dutch government, municipalities, cultural funds and branch organisations. A revised version of the Governance Code Culture was developed in 2013 (Governance Code Cultuur, s.a.). The code forms a prerequisite for subsidy applications, making it practically mandatory for cultural organisations. The code consists of nine principles which outline the basic for transparent and accountable governance. The principles define the roles and responsibilities for the board of directors, the supervisory board and the management. Cultural organisations can choose between two possible governance models: (1) the board-of-directors model (*bestuur-model*) and (2) the supervisory-board model (*raad-van-toezicht-model*) (Governance Code Cultuur, s.a.). In the second case, the organisation has two boards with the supervisory board supervising the board of directors. In both cases, management tasks can be transferred to a management (*directie*) (Governance Code Cultuur, s.a.). The guidelines of the Governance Code Culture are adopted by a majority of cultural organisations. According to a survey among 239

organisations, 80 percent of all cultural organisations have applied the code in 2014 (Governance Code Cultuur, s.a.).

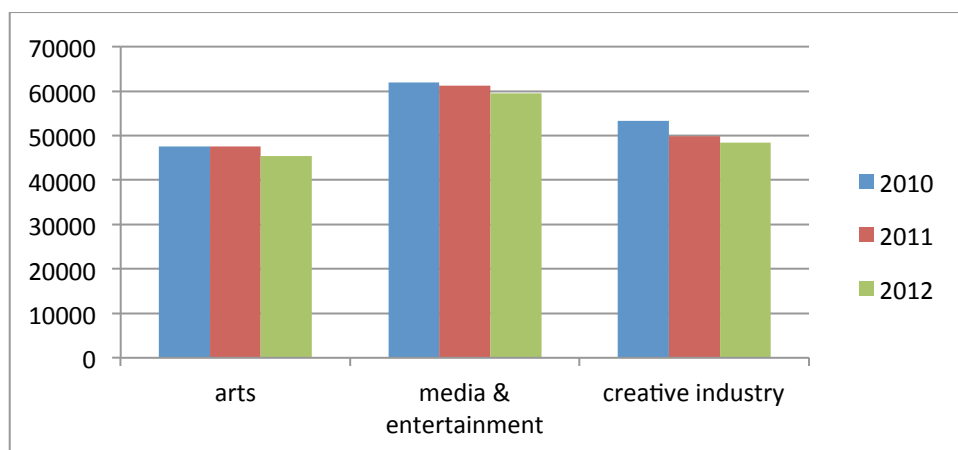
In addition to the policy context, one needs to understand the economic development in the cultural sector. The economic crisis and budget cuts have had an impact on the cultural sector. Despite the economic recession, however, the contribution of the cultural sector to the overall GDP has remained relatively stable.

In economic terms, the cultural sector can be divided into three sub-sectors: (1) arts and cultural heritage, (2) media and entertainment and (3) the creative industry. Together the three sub-sectors accounted for a share of 2.3 percent of the Dutch GDP in 2010. In 2012, this share has decreased slightly to 2.2 percent, amounting to an overall value of 12.6 billion EUR (OCW in cijfers, s.a.). The subsector of arts and cultural heritage remained constant, the subsectors of media and entertainment and the creative industry slightly decreased (OCW in cijfers, s.a.).

This trend is also apparent in the development of employment in the cultural sector. Between 2010 and 2012, the number of jobs in the cultural sector decreased, most significantly in the creative industry (OCW in cijfers, s.a.). Whereas 53,330 people were employed in the creative industry in 2010, this number reduced to 48,400 jobs in 2012 (OCW in cijfers, s.a.).

The data on employment in the cultural sector does not make a distinction between third sector and for-profit employment. However, as employment in all sub-sectors is decreasing, one can assume that employment in cultural TSOs is also on the decrease.

Figure 8: Employment in the cultural sector, 2010-2012



Source: OCW in cijfers, s.a., based on Central Office for Statistics

From the interviews with TSO representatives two main trends can be identified in the cultural sector. First of all, the policy environment has been changing. Structural funding to cultural organisations has been reduced. At the same time, cultural entrepreneurship has been stimulated by the ministry and other donors in the cultural sphere. These changes are described as dramatic: “Over the past years, a lot has changed in our province. The province and other layers of government have decided to withdraw from culture and heritage or at least to spend less money on it” (interview #17, TSO representative). In response to this trend, cultural organisations have adopted more commercial, business-like forms of management.

In line with the focus on cultural entrepreneurship, promoted by the government, cultural organisations have increasingly been focusing to develop alternative forms of income, such as sponsoring and commercial income such as tickets sale, products, services and paid activities. One interviewee described this development as follows: “With the cut-backs since around 2010, cultural organisations have developed in a more commercial way” (interview #17, TSO representative). The trend to cultural entrepreneurship also includes a focus on new marketing techniques in the cultural sector. Some cultural organisations have also changed their organisational form. The cooperative Cultural Heritage Gelderland was founded in 2010 as the first new cooperative in the cultural sector. The organisational form as cooperative was thereby chosen as an entrepreneurial form to renew the activities of an earlier existing heritage foundation (interview #17, TSO representative).

Entrepreneurship has become more important in the cultural sector. Many cultural organisations have intensified their efforts to develop paid activities and to increase their income through sponsoring. One example for a new form of cultural entrepreneurship is the muZIEum in Nijmegen. The MuZieum is a museum about vision and visual impairment. The name muZIEum means muSEEEum, which plays with the Dutch word for ‘to see’. The museum has developed a wide of activities that are meant to diversify the income structure of the organisation (interview 16, TSO representative). An important part of the museum is the so-called ‘dark experience’ where visitors are blindfolded and guided by a blind guide to learn to use other senses. The museum makes use different strategies to increase income through different channels. In addition to offering guided tours, the museum also developed training programmes which are offer for pay (interview 16, TSO representative). It is also an example for combining a cultural organisation with a social mission.

As second underlying trend that has affected the cultural sector is the decrease of public support and image. Culture and arts are increasingly not seen as public goods, but as a private interest. Sometimes, culture is depicted in the media as a “luxury”, but not as a public concern

(interview # 14, TSO representative). As a result, the support for public subsidies for the cultural sector has decreased in recent years. A TSO representative described the situation as follows: “If we look on Maslow’s pyramid of needs, culture can be seen as a luxury product. When it comes to cut backs in government funding, cultural organisations are thus more vulnerable” (interview #14, TSO representative). The general preparedness to provide public funds for culture and arts is not self-evident. Political developments in the Netherlands have contributed to the fact that the cultural sector has found it more difficult to prove its relevance for society. Most of the government cut backs for culture and arts were decided by a liberal-conservative government (2010-2012) which was a minority cabinet, supported by the Party for Freedom (PVV). Some of the TSO representative attributed the cuts in public expenditure which affected the cultural sector disproportionately hard to a general political climate that was not supportive to culture and arts: “In the government declaration of 2010 culture is described as a luxury people can pay for themselves.” (interview #14, TSO representative). By the same cabinet, it was discussed to raise the value-added tax (VAT) for cultural organisations. In that case cultural organisations would have lost much of their tax incentive and forced to fully compete on the market. This initiative was later abandoned.

The lack of political lobby was described as a weakness in the cultural sector. Compared to the other policy fields, the field of culture and arts does not have central umbrella organisations that represent third sector organisations in this field. Culture and arts is a much more fragmented field that consists of a great variety of different organisations such as museums, cultural centres, concert halls, theatres etc. and small independent initiatives. These different organisations seldom join for a general cause which makes it difficult for the cultural sector to formulate joint positions vis-à-vis political decision-makers. One TSO representative described the situation as follows: “In the field of sports you have charismatic personalities who take initiative and speak on behalf of the sector. The cultural sector, by contrast, is much more divided. They are many individuals who hold their own opinions and express them in the media. Sometimes, the different players also contradict each other. It has thus been much more difficult for the cultural sector to organize itself and assert its position [in the public debate]. There has been no joint action” (interview #14, TSO representative).

As a result of diversity and fragmentation, cultural organisations have thus been more vulnerable to changes in the policy environment than TSOs in other policy fields. In contrast to the policy field of sports, no umbrella organisations exist that unite the interests of cultural organisations. There is some inter-organisational cooperation among cultural TSOs, but this is restricted to sub-sectors, e.g. theatres, cultural centres or museums alone. Among each of these sub-sectors, one can observe a mixture of public and private organisations. There are, for instance, public and private theatres, public and private cultural centres and public and private

museums. As a result, there is no distinct third sector identity in the cultural sphere, and joint representation of interests has remained weak.

A third barrier or difficulty for cultural organisations is linked to a general trend. The market for culture and free-time activities in general has become more diverse which has intensified the competition for cultural organisations. Today, cultural organisations compete with a broad variety of leisure activities. One TSO representative described this as a shift in the supply of cultural goods: “An important trend is that the market is becoming more diverse. Cultural organisations need to sell their products for people to spend in their free time. These people have a limited budget to spend. Consequently, cultural organisations compete with all kind of different leisure activities. The more diverse the market becomes, the harder it is for cultural organisations to compete.” (interview #14, TSO representative).

Notwithstanding the challenges, the cultural sector also has a lot of opportunities for development. Some of its assets are special to the field of culture and arts. There are many bottom-up initiatives in the cultural sector. One can say that culture is a vibrant area of civic initiative. There is a high level of identification among volunteers and supporters with their respected organisations. A particular asset of TSOs in the cultural sphere is the support they enjoy by their members and by the general public. This enables TSOs to increase private funding and attract volunteers for cultural events. The quality of cultural life in the Netherlands is in general described as very good. Cultural activities and cultural organisations provide a high level of identification and can count on a lot of support from the general public.

All in all, one can conclude that cultural organisations in the Netherlands have been facing many changes in recent years. In line with government priorities, they have adopted more business-like strategies and transformed themselves into ‘cultural entrepreneurs’. Within the cultural sector, more emphasis has been devoted to transparent structure of internal governance and to marketing techniques that are meant to make cultural organisations economically more robust. The opportunities of the cultural sector in the Netherlands are the high quality of cultural activities, the innovative potential of many cultural organisations and the support culture enjoys within broad sections of the Dutch population.

4.4. International cooperation

International cooperation forms an important part of the Dutch third sector. Compared to the other sectors, these organisations are dealing with international topics, e.g. development aid, humanitarian action, human rights and, as a rule, operate in countries outside the Netherlands. Typically, TSOs in the policy field of international cooperation are charity organisations

(*goededoelenorganisaties*). They raise private donations for international activities in the field of development aid or humanitarian assistance.

International cooperation is included in this report, as this policy field was particularly affected by changes in the policy environment in the Netherlands. Since 2011, the Dutch government reduced international development aid from 0.81 percent of gross national income (GNI) in 2010 to 0.64 percent in 2014 (Rijksoverheid, Financiering ontwikkelingssamenwerking, s.a.). The cut backs in Dutch development aid took place in several steps. In 2010, the government (cabinet Rutte I) decided to reduce the governmental budget for development aid from 0.8% of the GDP to 0.7% of GNP (Rijksoverheid, Financiering ontwikkelingssamenwerking, s.a.). This decline was intensified due to the unfavourable growth rate of the GDP in the years following 2010. The new government (cabinet Rutte II) decided to reduce the budget for development aid with 750 million EUR annually from 2014 onwards and structurally with 1 billion EUR from 2017. These austerity measures are on top of the cut back adopted by the previous government (Rijksoverheid, Financiering ontwikkelingssamenwerking, s.a.).

The cut-backs in governmental funding had a direct impact on Dutch development organisations which had been receiving government funding through a co-financing system (*medefinancieringsstelsel*). A large part of Dutch development aid is channelled through development organisations which on their part cooperate with local partner organisations. Between 2011 and 2015, 67 Dutch development organisations received a total of 1.9 billion EUR as government grants within the co-financing system (Rijksoverheid, Financiering ontwikkelingssamenwerking, s.a.). In addition, Dutch development organisations have been recipients of other international donors, e.g. the European Union. Development organisations do not fully rely on government subsidies. They are required to raise at least 25 percent of their income through donations and membership fees (Rijksoverheid, Financiering ontwikkelingssamenwerking, s.a.). The CIDIN NGO database provides detailed information about the revenue structure of Dutch development organisations (CIDIN NGO database, s.a.). Development organisations collect private donations through their own campaigns. In addition, general campaigns such as giro555 exist in which a number of organisations joined together.

The decrease in public funding for international cooperation has had a huge impact on development organisations. Although many organisations also have sources of income, they have not been able to compensate the decrease in public funds by private donations. As a result, many organisations have faced a decrease in their income and were forced to cut down operational and personnel costs. Some organisations were forced to reduce the paid staff members by one third to one half. Some organisations reduced personnel costs by transferring jobs from their headquarters in the Netherlands to partner organisations in developing

countries. Furthermore, development organisations have increasingly sought to develop more entrepreneurial models. The aid organisation Cordaid has transformed itself from a non-profit organisation to a social enterprise (Cordaid, s.a.). Another Dutch organisation ICCO, an abbreviation for the “Interchurch organisation for development cooperation”, transformed from a foundation into a cooperative in November 2012 (ICCO, s.a.). According to the organisation, this step emphasizes ICCO’s “cooperation with entrepreneurs, companies, research organisations and other stakeholders” (ICCO, s.a.).

One can conclude that many changes are on the way in the policy field of international cooperation. Organisations have to adjust to decreasing levels of public funding and find alternative sources of financing. Many organisations apply more business-like management methods. Some organisations respond to the developments by transforming themselves into social enterprises or cooperatives instead of traditional forms of non-profit institutions.

5. Voluntary effort as a cross-cutting issue

Traditionally, volunteering is the backbone of the Dutch third sector. Recent research of Central Agency for Statistics shows that voluntary engagement remains high in Dutch society: About 49 percent of the Dutch population above 15 year of age has been engaged in voluntary work for an organization at least once per year in 2013 (Arends and Flöte, 2015). A majority of Dutch citizens spends a couple of hours per months on voluntary work. On average, the number of hours spent on voluntary work among the volunteers is four hours per week (Arends and Flöte, 2015). The most popular organisations for voluntary work are sports organisations (Arends and Flöte, 2015). Education level strongly correlates with voluntary work. Voluntary work is most common among citizens with higher education (Arends and Flöte, 2015).

Over the past years, the forms of voluntary action have been changing in the Netherlands. New forms of volunteerism emerge. In the focus group discussion with TSO representatives the following trends were discovered. First of all, the character of voluntary action has become more diverse and fluid. New forms of communication, e.g. internet and social media, allow for a broad spectrum of voluntary activities, e.g. volunteering via the internet, flexible volunteering and new initiatives outside the traditional voluntary organisations. Communication technology makes it easier for individuals to organize their voluntary activities, which means that they become less dependent on traditional voluntary organisations (Focus group discussion, 24 October 2014).

In addition, there is a trend towards more flexible, tailor-made forms voluntary work in the Netherlands. Many volunteers want to become active on a short-term basis, e.g. for a cultural festival or other event, rather than being committed to an organisation for a longer time. These new forms of voluntary activity include supply-driven instead of demand-driven voluntary work (Focus group discussion, 24 October 2014). An example is the foundation “Stichting Present Nederland” that links groups of volunteers to social projects that meet their demands in terms of activity and time expenditure work (Interview #10, TSO representative).

Volunteers become more vocal about their voluntary commitment. They want to decide by themselves *how* they get active. Buddy projects were described as a success story, as participants in these projects can organize their work independently and directly see the effect of their work (Focus group discussion, 24 October 2014). The links with formal voluntary organisations become weaker. Often, volunteers do not need organisations anymore to organize their voluntary activities.

These developments are challenging for traditional voluntary organisations. The organisations need to respond to the expectations of (prospective) volunteers. The recruitment of volunteers has become more difficult, as volunteers can choose among different opportunities. The more interesting a voluntary position is, the easier it is to find volunteers (Focus group discussion, 24 October 2014).

As a result of the new, diverse forms of voluntary action, volunteers in the Netherlands become more committed to certain activities than to organisations. Volunteers are less loyal to a particular organisation than they used to be in the past. Therefore, organisations need to invest in the quality of voluntary work in order to attract and bond volunteers to the organisation (Focus group discussion, 24 October 2014).

The new forms of voluntary action require a change in the nature of volunteer management. The management or coordination of volunteers needs to be flexible 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 organisation 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.

In addition to these general developments in volunteerism in the Netherlands, there are some specific trends in the sector of health care and social well-being. Due to the reforms of the welfare state, voluntary action may become more important in social service delivery (Focus group discussion, 24 October 2014). In the social sector, one can observe a discourse that

suggests a greater focus on volunteerism and informal care. Informal care is care that is provided by family members or other individuals in the community who close to a person in need of care. Informal care can thus also include neighbours or volunteers in the local community. The political support and promotion of community organisations (*wijkorganisaties*) is meant to strengthen local volunteerism and informal care with the aim to strengthen local capacities and to unburden formalized social service providers.

However, as noted earlier, the participation discourse espoused by government is controversial. If there is indeed a trend that people are more likely to exchange voluntary services and support each other, e.g. in the care for the elderly, this is at least in part a response to a welfare state that is either cut back (as in social services) or which has not adapted to the rise in social vulnerability, especially in building up social rights in conditions of permanent temporary employment (Ranci et.al, 2014).

Some TSO representatives and policy experts regard the new discourse on participation as a positive development, as it may strengthen individual responsibility and the ownership of communities. However, there is also a risk that voluntary work is only defined as a means for social assistance. It also concerns duties that citizens are more or less forced to take up, as professional service provision is scaled back.

A specific focus of the study is the development of volunteerism at the local level. The local embeddedness of voluntary work is an important new trend in the Netherlands. At the local level, new forms of voluntary action are emerging. Local communities, municipalities and neighbourhoods play an essential role here. Sometimes, traditional voluntary organisations are failing behind in comparison to new, more informal activities. They are not included in the local consultation mechanism and cannot gain from the trend toward more local voluntary action.

6. Conclusions

The diversity of the Dutch third sector precludes a description of general trends that affect all organisations uniformly. Therefore we will discuss the third sector in the Netherlands as consisting of roughly three parts that partially overlap.

The first consists of third sector organisations that deliver public services. These include most organisations in social services, health and education. Their development is closely tied to that of the public sector at large and the welfare state in particular. As a result, they have faced cutbacks in recent years and have either had to scale back services or access new sources of

funding. Hybridisation has been a persistent phenomenon in the Netherlands, although there have been major differences between policy fields. However, in few sectors has there been a full swing towards market provision. While third sector organisations have faced instability, the position of the sector as a whole has not been dislodged. There may even be opportunities for future growth for some parts of the sector, as major decentralisations have led to a greater emphasis on local social innovation and community building.

Another type of third sector organisation is the one that primarily relies on membership and donations for its funding. These cover most of the culture/arts and sports areas. They overlap with the former type of organisation in the areas of informal care and development aid. There are specific challenges that these organisations face. To begin with, revenues from membership dues and donations have also been hit by the economic crisis. A more structural trend is the decline of traditional volunteering, which has been signalled more widely in the past decades. Individual citizens replace volunteering by donations or at least limit the time they spend on voluntary activity. There is an increase in informal volunteering outside of the traditional organisations. Some of the latter have started offering additional services to reclaim some of the lost ground, for example, by incorporating more flexible types of volunteering, investing in the quality of voluntary work and by creating platforms for self-organisation. Nevertheless, readiness for voluntary activity in the Netherlands remains comparatively high and membership levels remain stable. Third sector organisations remain well established.

Finally, there are new organisations in the sector that arise in response to a retreating welfare state and the perceived failure of markets to deal with pressing problems. Such organisations include social enterprises, which are usually small- to medium-sized companies with a social mission; mutual funds for groups that are not sufficiently covered by existing welfare arrangements; and other initiatives by self-organising citizens (Evers et al., 2014). It is impossible to assess the quantitative impact of these new initiatives, since they do not show up in the statistics. Even if they would, it would be hard at this point to assess their impact on specific fields: whether they constitute a marginal add-on or a game changer. Here it is worth making two observations. Although these organisations are new in the context of the traditional third sector, in many ways they mirror past initiatives that have since been institutionalized. A case like the 'breadfunds' (*broedfondsen*) is comparable to 19th century initiatives that were subsequently merged and integrated in the public sector. In some respects, history appears to be repeating itself. A second observation is that many of the organisations are on the edge of the third sector or beyond, depending on how tightly one circumscribes the sector.

When comparing third sector organisations in the four different policy fields (social services, sports, culture and arts, international cooperation), one can observe interesting differences. Although all TSOs adapt to a changing policy environment, the impact of cuts in public funding have been more pronounced in those fields that are closely linked to the public sector, e.g. through co-financing mechanisms. Sports organisations have largely been able to compensate the decrease in public funding by raising membership fees and income from sponsoring and commercial activities. As a result, sports organisations have seen a more stable development than organisations in other policy fields. Culture and arts and international cooperation, by contrast, have been more severely affected by the decrease in public funding.

Across the policy fields, one can observe that third sector organisations have adopted more entrepreneurial, business-like forms of organisation and management, a general trend which is described as ‘managerialism’. TSOs have diversified their sources of income and strengthened sponsoring and commercial activities. In the field of culture and arts, this trend has been intensified by an active policy of promoting ‘cultural entrepreneurship’. In some policy fields (culture and arts and international cooperation), traditional non-profit organisations have transformed themselves into cooperatives or social enterprises. For the individual organisations this decision has been linked to the need of making accessible new sources of financing. For the third sector as a whole, this trend can be regarded to be ambivalent. Also it might be a successful coping strategy for individual organisations, for the whole sector this development carries a risk, as many organisations thereby abandon the non-profit distribution constraint as a key characteristic of the third sector.

On the whole, the Dutch third sector has proven resilient in the face of a demanding environment. All organisations face changed economic circumstances, with a drop in public funding and private donations due to the economic recession. Yet, with the exception of a few fields, there has been sufficient stability on the crucial indicators to keep the sector in a strong position. Existing organisations adapt, at the same time as new ones emerge to address new challenges. So while the post-recession picture is not glittering, it is not gloomy either.

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Annex 1: Qualitative interviews and focus group discussions

In the framework of the TSI project, 20 interviews were conducted with TSO representatives and policy actors.

Structure of the interview guide

The interviews were semi-structured and focused on ten issue areas that represent possible barriers to third sector development in the Netherlands: (1) legal barriers, (2) image and public support, (3) financing of TSOs, (4) sectoral infrastructure, (5) access to political decision-making, (6) role of TSOs in public service provision, (7) human resource management (paid staff members and volunteers), (8) governance structure in TSOs, (9) leadership and (10) inter-organisational cooperation. The interviews were conducted between July 2014 and April 2015.

Distribution of interviewed TSOs

The interviews cover the different policy fields that are discussed in this report: 6 interviews were conducted with TSO representatives and policy experts in the field of voluntary effort, 4 interviews with TSO representatives in the social sector, 4 interviews with TSO representatives from the cultural sector, 3 interviews with TSO representatives in international cooperation, and 3 interviews with representatives of sports organisations. The majority of interviews were conducted with individual TSO representatives. Three interviews (# 4, 14 and 20) were conducted with two members of the respective organisations.

Focus group discussions

In addition to the individual interviews, two focus group discussions were organised. The first focus group discussion with ten participants from the Dutch third sector and the research community was organized in October 2014. It focused on two thematic issue areas: (1) barriers to third sector development, and (2) impact of the third sector. The second focused group discussion was organised in March 2016 in the framework of a joint TSI and ITSSOIN stakeholder meeting. This discussion focused on the preliminary research findings, as identified through the interviews and the online survey.

Data analysis

The interviews and the focus group discussions were recorded and transcribed. The data was analysed by using the software atlas.ti. The coding was based on the issue areas of the interview guide.

Individual interviews

No	Organisation	Interviewee / position in the organisation	Date of the interview	Policy field
1	NOV	Director	08-07-2014	Voluntary effort
2	Movisie	Programme manager "Participation and active citizenship"	08-07-2014	Voluntary effort
3	Stichting LOS (Landelijk Ongedocumenteerden Steunpunt)	Coordinator	09-07-2014	International aid (refugee assistance)
4	Vluchtelingenwerk	Senior programme manager "Integration" and senior programme manager "Asylum"	09-07-2014	International aid (refugee assistance)
5	Amnesty International	Cluster manager "Human rights policy"	14-07-2014	International aid (human rights)
6	Sociaal en Cultureel Planbureau	Head of department "Participation, Culture and Living Environment"	23-07-2014	Policy expert (third sector development)
7	Policy expert	Policy expert	02-10-2014	Voluntary effort
8	Policy expert	Policy expert	03-10-2014	Voluntary effort
9	Vereniging Humanitas	Advisor to the Board	10-10-2014	Voluntary effort
10	Stichting Present	Director	17-11-	Voluntary effort

	Nederland		2014	
11	IederIn	Director	15-01-2015	Health and social services
12	Coöperatie De BroodfondsMakers	Founder and project manager	16-02-2015	Cooperative, Well-being
13	KNKV (Koninklijk Nederlands Korfbalverbond)	Programme manager "Participation"	18-02-2015	Sport
14	Prins Bernhard Cultuurfonds	Adjunct-director, secretary of the board	19-02-2015	Culture and arts
15	Museumvereniging	Senior Policy Advisor "Public Affairs"	20-02-2015	Culture and arts
16	MuZIEum Nijmegen	Director	23-02-2015	Culture and arts
17	Coöperatie Erfgoed Gelderland	Board member cooperative and director of Gelders Erfgoed	24-02-2015	Culture and arts
18	Atletiekunie	Director	11-03-2015	Sport
19	KLVO (Koninklijke Vereniging voor Lichamelijke Opvoeding)	Director	31-03-2015	Sport
20	Thuiszorg Dichtbij, Groningen	Chairman of the board and head of the department "Care"	01-04-2015	Health and social services

Focus group discussions

The first focus group discussion with representatives of third sector organisations was organized on 24 October 2015. It was conducted in the framework of the First Stakeholder Meeting in the Netherlands which took place in Utrecht.

	Participants of the focus group discussion	Organisations
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1	TSO representative (policy advisor)	Stichting Humanitas / NOV
2	TSO representative (director) and researcher	Vrijwillige inzet Arnhem
3	TSO representative (programme manager) and policy expert	Movisie
4	Policy expert and third sector researcher	Onderzoeksbureau Kwaliteit van de Vrijwillige Inzet
5	Programme manager	VluchtelingenWerk Nederland
6	Policy expert and third sector researcher	Sociaal en Cultureel Planbureau
7	TSO representative (programme manager)	Amnesty International Nederland
8	Third sector researcher	Radboud University Nijmegen
9	TSO representative (director)	Stichting Present Nederland
10	Third sector researcher	Radboud University Nijmegen
11	Third sector researcher	Sociaal en Cultureel Planbureau

The second focus group discussion was organized on 22 March 2016 in The Hague. About 20 participants of the Dutch third sector and the research community took part in the discussion.

Annex 2: Online survey

From 5 June to 24 August 2015, an online survey entitled “De derde sector in beweging: belang, impact actuele trends” was conducted among TSOs in the Netherlands. The online survey complemented the qualitative interviews with TSO representatives. The added value of the survey was to reach out to a broader circle of third sector organisations and investigate the perception of barriers and opportunities for third sector development among TSO representatives in the Netherlands. The thematic issue areas of the online survey were linked to the questions used in the interview guide. Overall, 460 TSO representatives participated in the online survey. Out of this number, 372 complete responses were recorded which form the basis for the analysis of the online survey. The survey was designed, distributed and analysed with the software programme Qualtrics.

Structure and content of the survey

The survey focused on five thematic issue areas: (1) organisational context of the organisation, (2) financing of the organisation, (3) image and public support, (4) inter-organisational cooperation, and (5) legal framework and regulation. The questions of the survey were divided into four parts. The introductory part contained three general questions about the background of the respondents: policy field of the organisation, legal form of the organisation and position of the respondent within the organisation.

Part 1 contained one question with eight sub-questions about the general context of the organisation. Part 2 focused on five specific issue areas that frequently form barriers to third sector development: (1) financing of the organisation, (2) recruitment of personnel (including paid staff and volunteers), (3) image and public support, (4) inter-organisational cooperation (within the policy field and beyond with other TSOs), and (5) regulation. In part 3, the respondents were asked to take a stand on a number of statements related to barriers and opportunities. Part 4, finally, contained two open questions: one on barriers for third sector development in the Netherlands and one on opportunities for third sector development in the Netherlands. The last part also included the possibility to give comments on the survey and leave an e-mail address, in case the respondent wished to be informed about the results of the survey. The results of the survey are presented below.

Strategies for recruiting respondents

The following three strategies were adopted to recruit respondents for the survey. First, a link to the survey was published on the TSI website. Second, the link to the survey was distributed through two umbrella organisations, namely Ieder(in), the organisation for people with chronic disease and disabilities as well as NOV, the network of Dutch voluntary organisation. For the third strategy, a list with publicly available personal e-mail addresses from representatives of third sector organisation was retrieved. Invitations to take part in the survey were sent out to the selected persons (including both paid staff members and volunteers of TSOs in the Netherlands). The criteria for selecting e-mail addresses were the following: (1) personal e-mail address (not general information address), (2) the personal e-mail address is publicly available, and (3) the source is a website of a Dutch organisation that is part of the third sector.

Among the three strategies, the second and third one proved to be more successful than the first one. The panel of respondents included in total 1675 personal e-mail addresses. 1675 invitations were sent out. 90 e-mails bounced, which means that the e-mail did not reach the respondents, either because the e-mail addresses were not up-to-date anymore or because of server problems. From the 1585 invitations that reached the respondents, 460 respondents participated in the online survey which represents a response rate of 29 percent.

Limitations of the survey

It is important to note that the TSI online survey is not a representative survey. The added value of the survey is to find out more about the perceptions of barriers and opportunities for third sector development within a broader group of TSO representatives that could be reached through umbrella organisations and publicly available internet information. The survey reflects how the participants assess the barriers and opportunities of the organisations they represent. The survey thereby looked into the five thematic issue areas which can be regarded to be key areas of barriers and opportunities for third sector development (see explanation above). The online survey thereby adds valuable additional information to the qualitative interviews. However, the distributions among certain answers to the survey questions do not necessarily reflect the distribution of the entire third sector. Despite of this limitation, the online survey reflects how barriers and opportunities are seen and assessment among third sector representatives in the Netherlands.

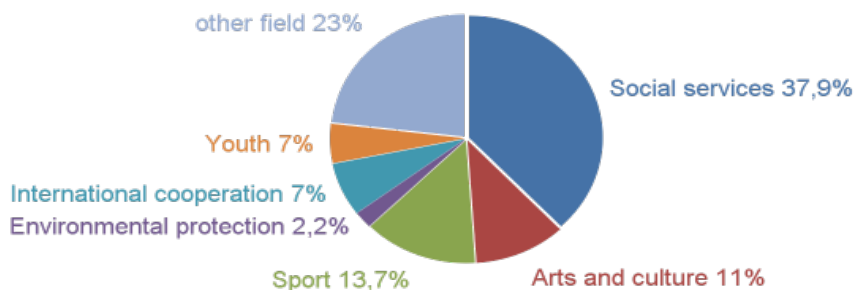
Results of the survey

In the following, the answers to the survey questions are presented. This overview is structured in the same way as the online survey. First, the answers to the background questions are presented, following the answers to the questions of part 1 to part 4 of the survey.

Introductory part: Background of the organisations and the respondent

Figure 9: Participation in the TSI online survey

Question: In what field is your organisation mainly active?



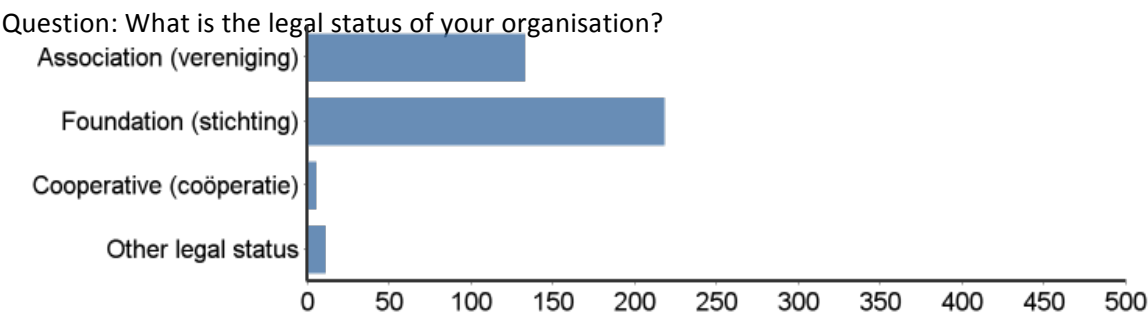
#	Policy field	Bar	Responses	%
1	Social services	<div></div>	141	37.90%
2	Arts and culture	<div></div>	41	11.02%
3	Sports	<div></div>	51	13.71%
4	Environmental protection	<div></div>	8	2.15%
5	International cooperation	<div></div>	26	6.99%
6	Youth	<div></div>	19	5.11%
7	Other policy field	<div></div>	86	23.12%
Total number of responses			372	100.00%

37.
9

percent of the respondents identified the field of their organisation as social services, followed by 13.7 in sports and 11.02 in arts and cultures 86 respondents did not identify their organisations with one of the six default policy fields, but indicated “other policy field”. The most common “other policy fields” included patient organisations (17 answers), community development and civic participation (7 answers), voluntary work (5 answers) and advocacy (3 answers).

The distribution of policy fields in the online survey does not necessarily represent the distribution of policy fields in the third sector. However, it is remarkable that nearly 38 percent of the respondents relate to the policy field of social services. This supports the overall observation that TSOs are strongly represented in this policy field.

Figure 10: Organisational form of the organisation



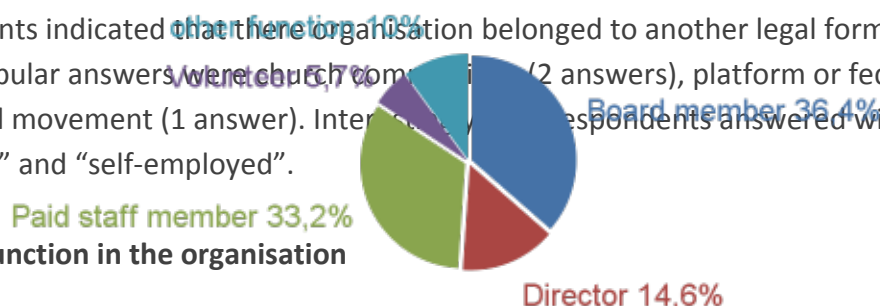
Organisational form	Bar	Response	%
Association (vereniging)	<div></div>	133	36.24%
Foundation (stichting)	<div></div>	218	59.40%

Cooperative (coöperatie)	■	5	1.36%
Other form, namely	■	11	3.00%
Total number of responses		367	100.00%

Among the respondents, the organisational forms of association (36.2 percent) and foundation (59.4 percent) are by far the most widespread. It is remarkable that there nearly twice as much foundations than association among the respondents. This can be attributed to the fact that the legal form of foundation does not have restrictions, as they are used in other European countries, e.g. a minimum amount of capital in the foundation.

11 respondents indicated that their organisation belonged to another legal form. Among these the most popular answers were church (5 answers), platform or federation (2 answers), and movement (1 answer). Interestingly, no respondents answered with “for-profit organisation” and “self-employed”.

Figure 11: Function in the organisation



Question: What is your position in the organisation?

#	Function	Bar	Responses	%
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1	Board member		134	36.41%
2	Director		54	14.67%
3	Staff member		122	33.15%
4	Volunteer		21	5.71%
5	Other function, namely		37	10.05%
	Total number of responses		368	100.00%

The majority of respondents of the online survey answered to be board member (36.4 percent), staff member (33.2 percent) or director of the organisation (14.7 percent). Volunteers only make up a small group among the respondents. This can be explained by the fact that volunteers often do not have a personal e-mail address of their organisation and/or are not mentioned on the website, unless they fulfil a leadership position such as board member.

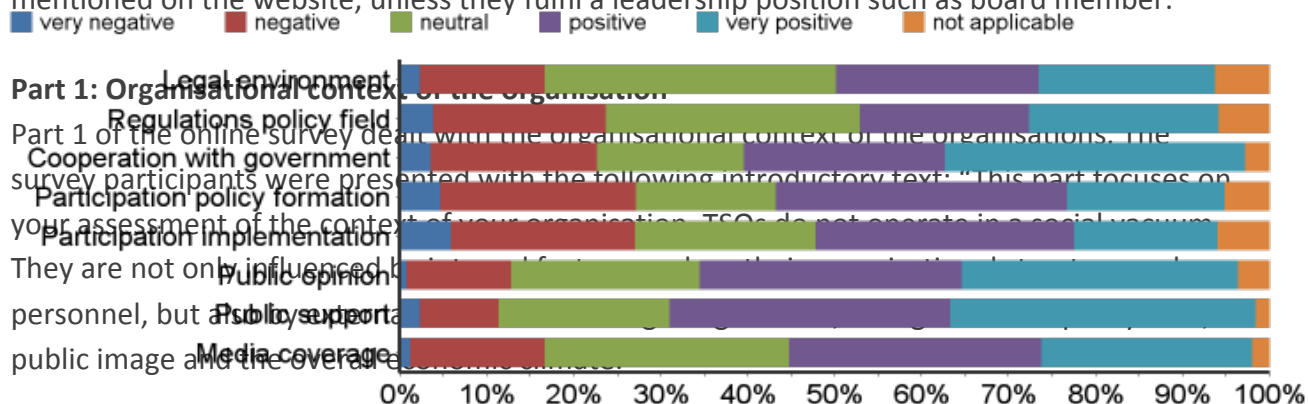


Figure 12: How do you assess the context of your organisation?

This overview shows that most TSO representatives have a relatively positive view of the organisational context of their organisation. Public opinion and public support are assessed very

#	Question	very negative	negative	Neutral	positive	very positive	not applicable	number of responses	average Value
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positively by a majority of the respondents: Nearly 70 percent of the respondents consider public opinion and support for their organisation to be good or very good. Media coverage is also rated positively with more than 50 percent of the respondents assessing it to be good or very positive. Also with regard to the legal environment, the picture is generally positive: about 50 percent of the respondents consider the legal environment to be good or very good, another 30 percent consider it neutral, only 15 percent think that the legal environment is negative. When it comes to the opportunities to participate in policy formation and policy formation, around 25 percent of the respondents view the situation as negative.

1	Legal regulations for third sector organisations in NL	6	37	86	60	52	16	257	3.63
2	Legal regulations in your policy field	10	51	75	50	56	15	257	3.53
3	Readiness of the government to cooperate with your organisation	9	49	43	59	88	7	255	3.74
4	Opportunity to participate in policy formation	12	57	41	85	46	13	254	3.53
5	Opportunity to participate in policy implementation	15	54	53	76	42	15	255	3.47
6	Public opinion with regard to the third sector	2	30	54	75	79	9	249	3.91
7	Public support for the social mission of your organisation	6	23	50	82	89	4	254	3.93
8	Media coverage and reporting about the third sector	3	39	71	73	61	5	252	3.65

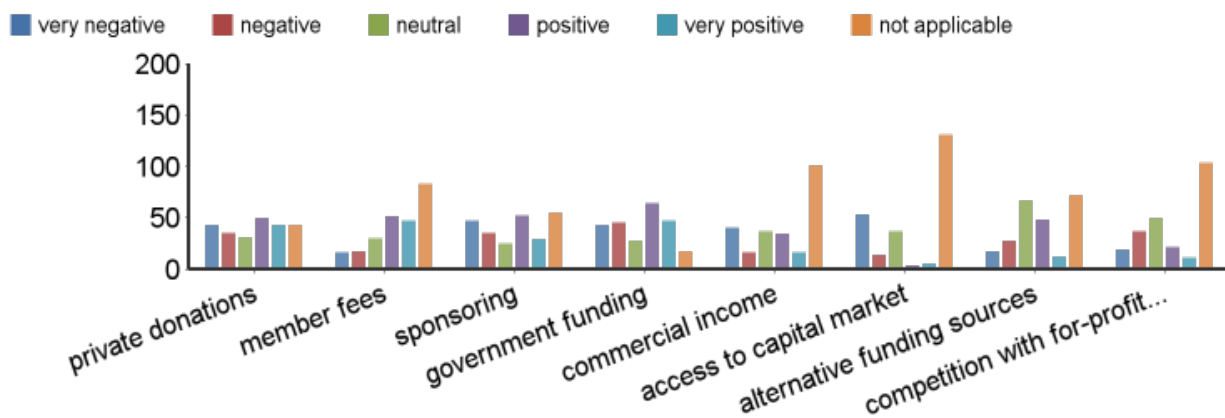
This table shows the answers to the question “How do you assess the context of your organisation?”

Part 2

Part 2 focused on five issue areas that are frequently mentioned as barriers to third sector development: (1) financing of the organisation, (2) recruitment of personnel (including paid staff and volunteers), (3) image and public support, (4) inter-organisational cooperation (within the policy field and beyond with other TSOs), and (5) regulation.

Part 2: Financing

Figure 13: How do you assess the financing situation of your organisation?



The first question dealt with the financial situation. Here we see a mixed picture. Interestingly, the situation with regard to private donations and sponsoring is by many respondents considered to be more favourable than government funding. Regarding membership fees, a majority of the respondents answers that this is not applicable for their organisation. This can be explained by the fact that only a part of TSOs are membership organisations. Foundations do not have members and can thus not raise membership fees. Among membership organisations, a majority considers the income from membership fees to be positive or very positive.

Commercial income and access to capital markets are only relevant for a minority of TSOs. Those TSOs that answer the question report problems with the access to capital markets. Also with regard to alternative funding sources, a majority of respondents answer with 'non applicable to my organisation'. The other respondents consider the possibilities for alternative funding as neutral or positive for their organisation.

Question: How do you assess the financing situation of your organisation?

#	Question	very negative	negative	neutral	positive	very positive	not applicable	#	average value
1	Private donations	43	35	31	50	43	43	245	3.59
2	Membership	16	17	30	51	47	83	244	4.41
3	Sponsoring of commercial organisation	47	35	25	52	29	55	243	3.60
4	Government funding	43	45	27	64	47	17	243	3.32
5	Income from commercial activities	40	16	37	34	16	101	244	4.12
6	Access to the capital market	53	14	37	3	5	131	243	4.18
7	Possibilities of alternative funding (e.g. crowdfunding)	17	27	67	48	12	72	243	3.93
8	Position in the competition with for-profit organisation with regard to	19	37	50	21	11	103	241	4.15

Part 2: Recruitment of personnel (including paid staff members and volunteers)

Employees are crucial for third sector organisations. The next question is therefore focusing on possible problems concerning the recruitment of paid staff and volunteers.

Question: How do you assess the recruitment of personnel at your organisation?

#	Question	very negative	negative	neutral	positive	very positive	not applicable	#	avera. value
1	Recruitment of staff	5	15	24	43	88	62	237	4.60
2	Binding of staff members (high vs. low turnover)	4	9	22	32	113	57	237	4.74
3	Qualification of staff	-	8	11	49	115	52	235	4.82
4	Recruitment of volunteers	9	25	32	68	86	16	236	4.04
5	Linking volunteers to the	4	13	20	62	124	14	237	4.40
6	Qualification of volunteers	2	10	34	84	89	16	235	4.26
7	Cooperation between paid staff and volunteers	3	3	21	38	84	86	235	4.94
8	Recruitment of voluntary board members	15	27	29	58	69	36	234	4.06
9	Recruitment of leadership positions	5	10	29	39	53	98	234	4.79
10	Competition with for-profit organisations in the recruitment of personnel	4	16	54	34	47	79	234	4.46

Part 2: Image and public support

Image and public support play an important role in the development of the third sector. This question, therefore, focuses on the image of third sector organisations, including their reputation and public trust.

Question:

How do you assess the image of your organisation to the general public?

#	Question	very negative	negative	neutral	Positive	very positive	Not applicable	Responses	Average Value
1	Level of awareness	18	45	37	68	66	2	236	3.53
2	Public image	2	20	45	73	92	4	236	4.04
3	Support for the objectives of the organisation	4	13	37	83	93	6	236	4.13
4	Trust in the professionalism of the organisation	-	15	31	86	87	16	235	4.25
5	Trust in the integrity of the organisation	-	9	23	65	124	14	235	4.47

The majority of respondents consider the public image of their organisation as 'very good'. Furthermore, a majority is convinced that the general public supports the objectives of their organisations. Only with regard to the level of awareness the situation is less positive. Although many consider this as good, there are also a considerable number of TSOs that think that their organisation is not generally known in the public.

Part 2: Inter-organisational cooperation

Cooperation is an important element in the third sector. The respondents of the survey were asked about the cooperation of their organisations with other organisations, government institutions and for-profit organisations.

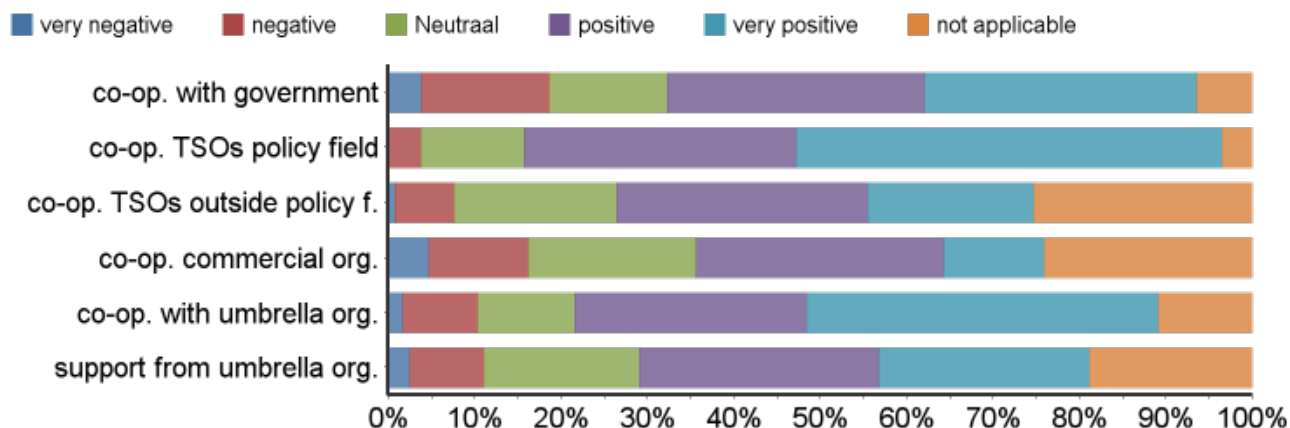
Question:

How do you assess the cooperation of your organisation?

#	Question	very negative	negative	neutral	positive	very positive	not applicable	responses	average Value
1	Cooperation with public organisations (within policy field)	9	35	32	70	74	15	235	3.89
2	Cooperation with other TSOs (within policy field)	-	9	28	74	116	8	235	4.37
3	Cooperation with other TSOs (beyond policy field)	2	16	44	68	45	59	234	4.35
4	Cooperation with for-profit organisations	11	27	45	67	27	56	233	4.03
5	Cooperation with umbrella organisations	4	20	26	62	94	25	231	4.29
6	Organisational support from umbrella organisation	6	20	42	65	57	44	234	4.19

Cooperation with other TSOs in the same policy field is considered to be very good. Cooperation with TSOs beyond the policy field is considered less positive.

Figure 14: Inter-organisational cooperation



Cooperation within the third sector is in general evaluated as positive. A majority of organisations also regards its cooperation with government institutions as positive or very positive. Only a minority thinks that cooperation with government institution is negative. Cooperation within the policy field is evaluated even better. Here, an overwhelming majority of TSO representatives speak about a positive or very positive relationship.

Part 2: Regulation

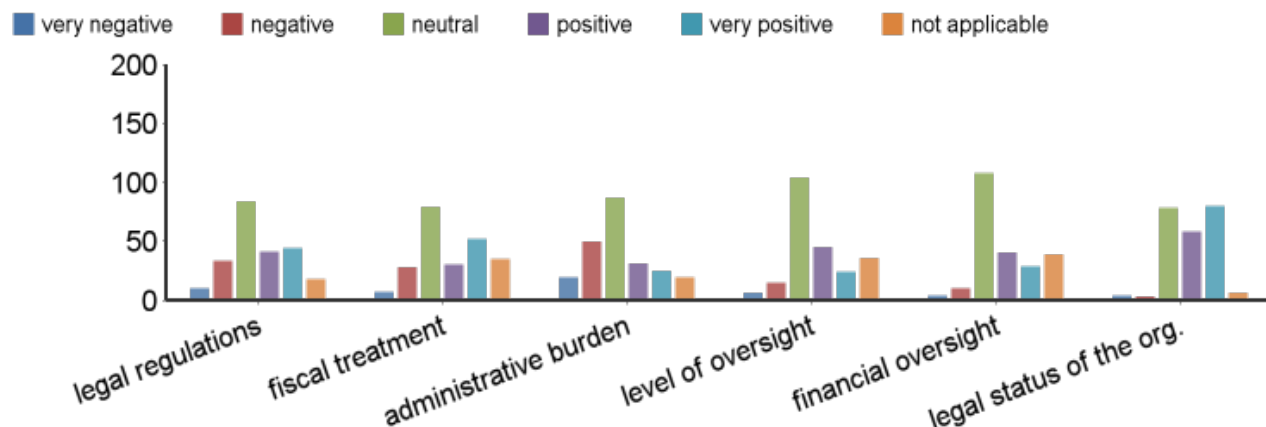
The legislation often determines the framework in which organisations are moving. Therefore, the next question focuses on potential obstacles in the laws and regulations in general, and in the tax regimes in particular.

Question:

How do you assess the laws and regulations for your organisation?

#	Question	very negative	negative	neutral	positive	very positive	not applicable	responses	average value
1	Legal regulations	10	33	84	41	44	18	230	3.57
2	Tax regulations	7	28	79	30	52	35	231	3.85
3	Scope of administrative regulations	19	50	87	31	25	19	231	3.22
4	Government oversight	6	15	104	45	24	36	230	3.76
5	Financial oversight	4	10	108	40	29	39	230	3.86
6	Legal status of the organisation	4	3	78	58	80	6	229	3.98

Figure 15: How do you assess the laws and regulations for your organisation?



The figure shows that a majority of TSO representatives evaluated the legal environment for their organisations as neutral or positive. The share of respondents that regarded legal regulations to be negative was a clear minority with regard to all six sub-questions. In comparison, the administrative burden of regulations was considered to be relatively negative. A clear majority of TSO representatives assessed the legal status of their organisation as positive or very positive. Only very few respondents regarded the legal status of their organisation as negative.

Part 3: Statements – barriers and opportunities for third sector development

In this part, the respondents were asked to take a stand on a number of statements related to barriers and opportunities for third sector development.

#	Statement	strongly disagree	disagree	neither agree nor disagree	agree	strongly agree	not applicable	responses	average value
1	My organisation devotes more resources to fundraising now than it did ten years ago.	6	19	19	48	85	46	228	4.04
2	New forms of private funding (e.g. crowd funding) are becoming more important for my organisation.	10	18	32	65	42	51	227	4.15
3	The need to raise revenues from business activities is keeping us from serving our real purpose.	10	28	25	41	37	62	228	4.26
4	EU financing is an important financial resource for my organisation.	51	19	18	22	19	68	225	3.84
5	Commercial funding is becoming more important for my organisation.	19	22	32	42	41	53	226	4.18
6	Volunteers prefer flexible and short-term forms of volunteerism.	10	20	21	51	70	44	225	4.02
7	De salaries in my organisation are too low to compete with for-profit organisations.	11	21	30	30	33	74	228	4.51
8	We are an attractive employer.	4	9	21	41	54	75	226	4.49
9	In my organisation, volunteers are less present in the board level than ten years ago.	50	27	29	22	8	67	227	3.89

#	Statement	Strongly disagree	disagree	Neither agree nor disagree	agree	Strongly agree	Not applicable	responses	average value
10	It is challenging for the management of my organisation to balance the interests of different stakeholders	5	11	26	61	41	62	226	4.36
11	We must increasingly implement measures to improve the participation of members.	4	13	27	55	47	66	224	4.35
12	It is important for executives to have a business background in my organisation.	6	30	27	63	39	46	226	4.07
13	My organisation actively tries to assert influence on the political decision-making process.	8	17	16	55	75	46	225	3.99
14	Legal regulations form a barrier for the development of my organisation.	12	41	46	61	23	34	224	4.03
15	The financial framework is an impediment for my organisation.	12	27	26	60	52	38	225	3.94
16	My organisation has to devote many resources to comply with government procedures.	29	38	37	48	27	34	227	163.83

	Statement	strongly disagree	disagree	neither disagree nor agree	agree	strongly agree	not applicable	responses	average value
17	Umbrella organisations are helpful in providing services for my organisation.	8	28	46	52	42	43	223	4.26
18	My organisation relies more on the services provided by consultancies or commercial agencies now than 10 years ago.	34	31	23	37	27	54	226	3.83
19	Organisation in my policy field support each other through cooperation and information exchange.	9	12	23	75	75	29	223	3.87
20	My organisation is becoming less independent in the formulation of its policies.	28	50	37	49	28	28	225	3.63
21	My organization faces many legal restrictions.	26	47	52	47	19	25	225	3.91
22	My organisation needs a new legal form.	69	33	26	24	9	42	222	3.37
23	The general population tends to view my organisation with trust.	-	6	17	57	103	38	223	4.11
24	The coming ten years promise to be better for my organisation than the previous ten.	20	34	62	55	36	17	227	4.11

Part 4: Open questions about barriers and opportunities to third sector development

Part 4 of the TSI online survey contained two open questions: one on barriers for third sector development in the Netherlands and one on opportunities for third sector development in the Netherlands.

Question 1: What are, in your opinion, the main obstacles to the development of the third sector in the Netherlands?

176 respondents answered this question. Their answers touched upon a broad variety of issues that were perceived as barriers to third sector development in the Netherlands. Most answers identified problems regarding financing (decrease in government funding, dependency from donors, growing competition between nonprofits) and regulations (burdensome reporting requirements). Some answers focused on the difficulty to recruit volunteers for the organisations, problems of coordination between paid staff members and volunteers and problems with regard to creating public support for the objectives of the organisation.

Question 2: What are, in your opinion, the main opportunities for third sector development in the Netherlands?

161 respondents answered the open question about opportunities to third sector development. Opportunities for third sector development in the Netherlands were linked to new forms of mobilization (e.g. social media) and financing (crowd funding). Many TSO representatives indicated that new initiatives can best be developed at the local level.