



THIRD
SECTOR
IMPACT

Measuring impact.
Enhancing visibility

WPs2 and 3: Conceptualizing and Measuring the Third Sector in Europe

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Lester M Salamon

Johns Hopkins University SAIS Bologna Centre



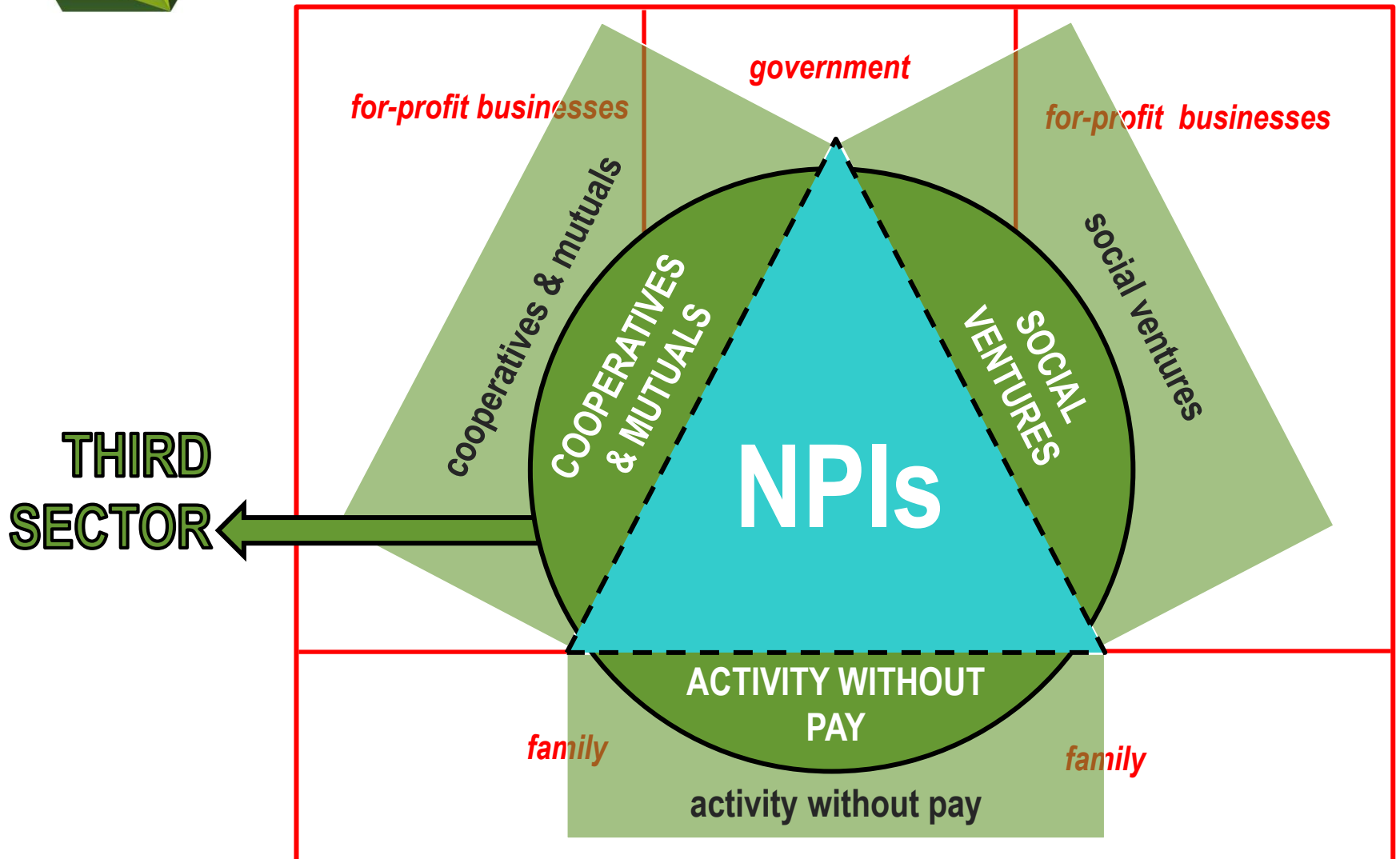
WP2: Conceptualizing the Third Sector

OBJECTIVES

1. To clarify the **CONCEPT** of the third sector in its European manifestations
2. To show how this conceptualization relates to **cross-country, cross-regional, cross-cultural, and cross sector variations.**



WP2: Conceptualizing the Third Sector





WP2: Conceptualizing the Third Sector
TWO SETS OF TENTATIVE DEFINING FEATURES

**1. For ORGANIZATIONAL
components of TS**

**2. For INFORMAL AND INDIVIDUAL
components of TS**



WP2: Conceptualizing the Third Sector **TENTATIVE DEFINING FEATURES I**

ORGANIZATIONAL COMPONENTS

- 1) **Organizations**, formal or informal
- 2) **Private**, i.e., institutionally separate from government
- 3) **Self-governing**, capable of acting on own authority
- 4) **Voluntary**, without compulsion
- 5) **Totally or significantly limited** from distributing profit



WP2: Conceptualizing the Third Sector **LIMITED PROFIT DISTRIBUTION MEANS**

- 1) Full prohibition on distribution of profit, or**
- 2) If distribution of profit permitted, must be:**
 - Legally binding social mission +
 - 50% limit on share of profit to distribute +
 - Legally binding “capital lock,” + either:
 - At least 30 percent of workers or beneficiaries with “special needs,” OR
 - No distribution of profits in proportion to capital invested or fees paid



WP2: Conceptualizing the Third Sector **TENTATIVE DEFINING FEATURES II**

INDIVIDUAL ACTIVITY

- 1) Activity primarily for benefit of others, not self**
- 2) Carried on for a meaningful period of time**
- 3) Not-for-Pay (reimbursement of expenses OK)**
- 4) Only for persons outside one's household+ next of kin**
- 5) Noncompulsory**



WP3

Advancing the Measurement of the Third Sector



WP3: Measuring the Third Sector

THE CHALLENGE: I

Plentiful data on Third Sector in Eur System of Accounts, **BUT:**

- ⚠ Some units are missing
- ⚠ Volunteering out of bounds or valued at cost
- ⚠ Blurring among in-scope entities themselves
- ⚠ Major in-scope entities buried in other sectors



WP3: Advancing Measurement of the Third Sector

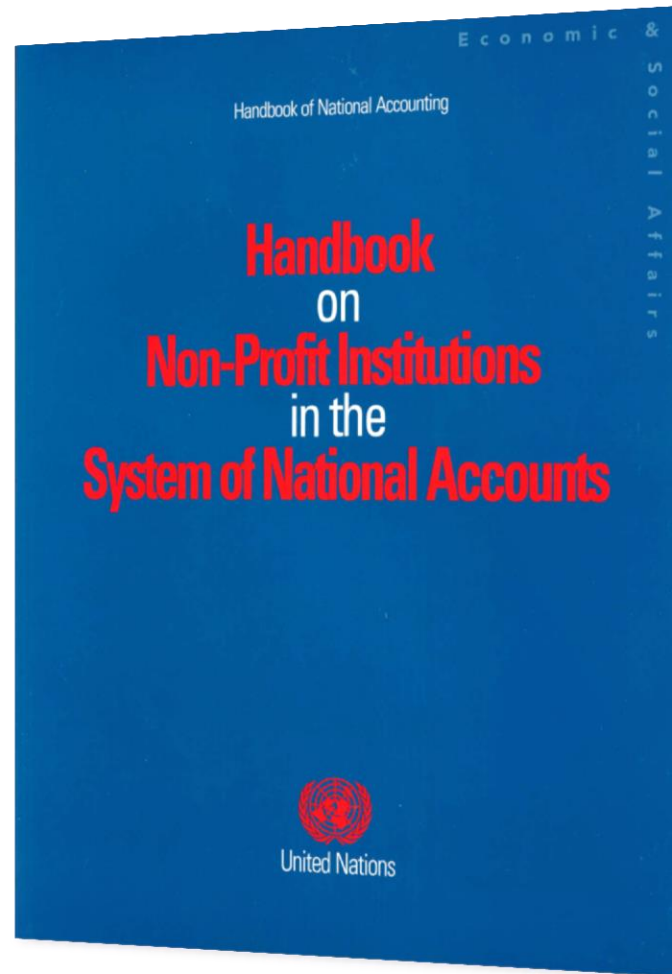
TREATMENT IN NATIONAL ACCOUNTS FRAMEWORK

TYPE OF INSTITUTIONAL UNIT	SECTORS OF THE SYSTEM				
	Non-financial corporations S.11	Financial Corporations S.12	Government S.13	Household S.14	NPISH S.15
Corporations	NfC	FC			
Government			G		
Household				H	
NPIs	$N_{S.11}$	$N_{S.12}$	$N_{S.13}$	$N_{S.14}$	$N_{S.15}$
Cooperatives/mutuals	$CM_{S.11}$	$CM_{S.12}$			$CM_{S.15}$
Social enterprise	$SE_{S.11}$	$SE_{S.12}$			$SE_{S.15}$



Measuring the Third Sector

The Nonprofit Institution (NPI) Component





Measuring the Third Sector

A Statistical Revolution

▣ Step 1: NPIs

- **2003: UN *NPI Handbook***
 - Adopts CNP definition of NPIs
 - Official call for Satellite Account on NPIs
 - Recognizes importance of volunteer work



Measuring the Third Sector

A Statistical Revolution

▣ Step 1: NPIs

- **2003: UN *NPI Handbook***
- **2008: Revised 2008 System of National Accounts (SNA)**
 - Calls for separate reporting on NPIs (sub-sectoring)
 - Adds dedicated chapter on NPIs
 - Reinforces support for coverage of volunteer work
- **2010: Revised 2010 European System of Accounts (ESA)**
- **2015: Revised *UN NPI Handbook* to be released**



Measuring the Third Sector

Countries that have Implemented* the *UN NPI Handbook*

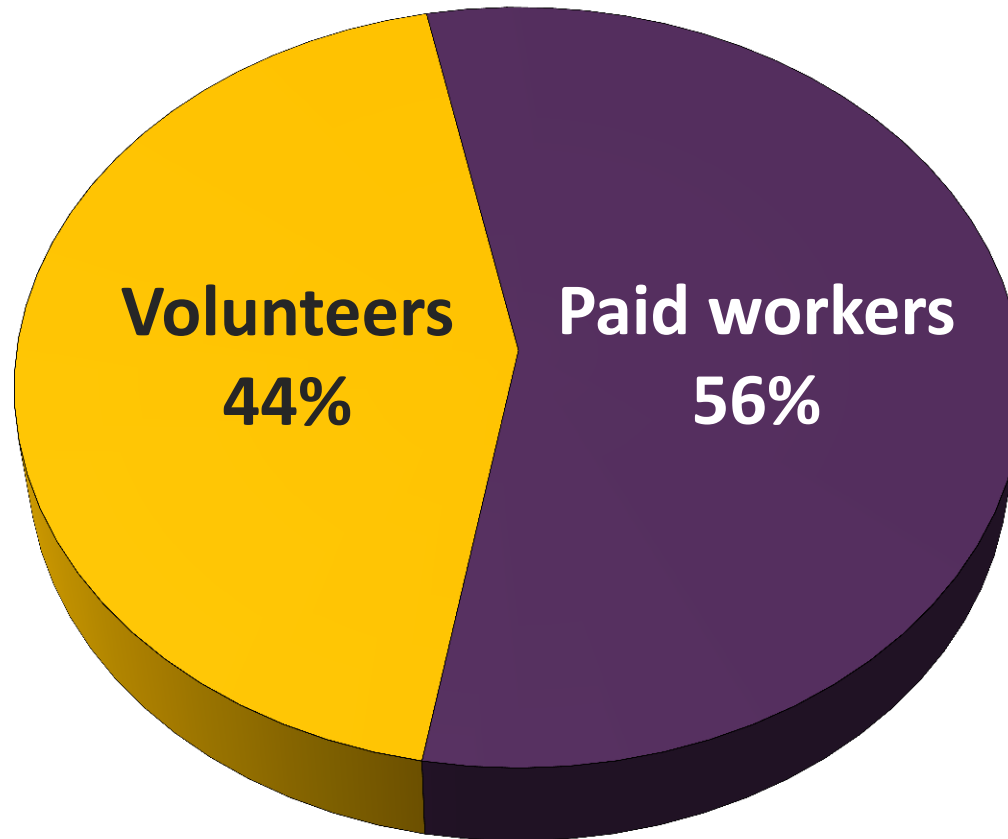
Australia*	Mexico*
Belgium*	Morocco*
Brazil*	Mozambique*
Canada*	New Zealand*
Czech Republic*	Norway*
France*	Philippines*
Israel*	Portugal*
Japan*	Thailand*
Kyrgyzstan*	United States*

* Satellite account released

*as of May 2015



Measuring the Third Sector Civil Society Workforce, Paid vs. Volunteer, 34 Countries





Measuring the Third Sector

A Statistical Revolution

▣ Step 1: NPIs

- **2003: UN *NPI Handbook***
- **2008: Revised 2008 *System of National Accounts (SNA)***
- **2010: Revised 2010 *European System of Accounts (ESA)***
- **2015: Revised *UN NPI Handbook***

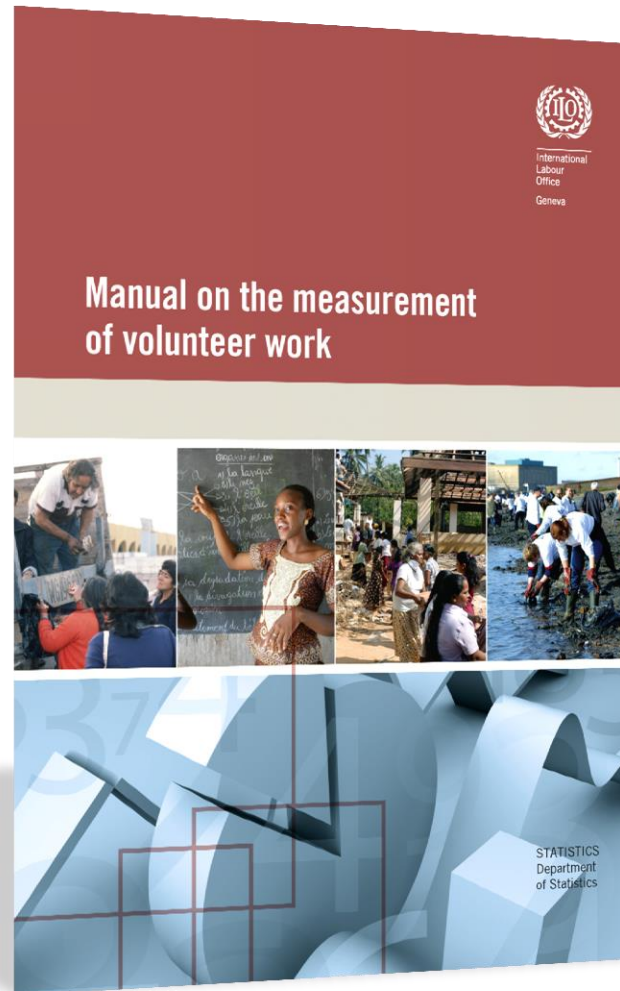
▣ Step 2: Volunteers

- **2011: ILO *Manual on the Measurement of Volunteer Work***



Measuring the Third Sector

The Volunteer Component





Measuring the Third Sector

A Statistical Revolution

▣ Step 1: NPIs

- **2003: UN *NPI Handbook***
- **2008: Revised 2008 *System of National Accounts (SNA)***
- **2010: Revised 2010 *European System of Accounts (ESA)***
- **2015: Revised *UN NPI Handbook***

▣ Step 2: Volunteers

- **2011: ILO *Manual on the Measurement of Volunteer Work***
- **2013: ILO Adoption of New Definition of “Work”**



Measuring the Third Sector

Individual Activity In-Scope of Third Sector

ILO Manual Definition of Volunteer Work:

- 1) Activity primarily for **benefit of others**, not self
- 2) Carried on for a meaningful **period of time**
- 3) **Not-for-Pay** (reimbursement of expenses OK)
- 4) Only for persons **outside one's household and next of kin of household members**
- 5) **Noncompulsory**



Measuring the Third Sector

ILO Manual Implementers

Bangladesh

Belgium

Brazil

Hungary

Ireland

Italy

Norway

Poland

Portugal

South Africa



Measuring the Third Sector

A Statistical Revolution

▣ Step 1: NPIs

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- **2008: Revised 2008 *System of National Accounts (SNA)***
- **2010: Revised 2010 *European System of Accounts (ESA)***
- **2015: Revised *UN NPI Handbook***

▣ Step 2: Volunteers

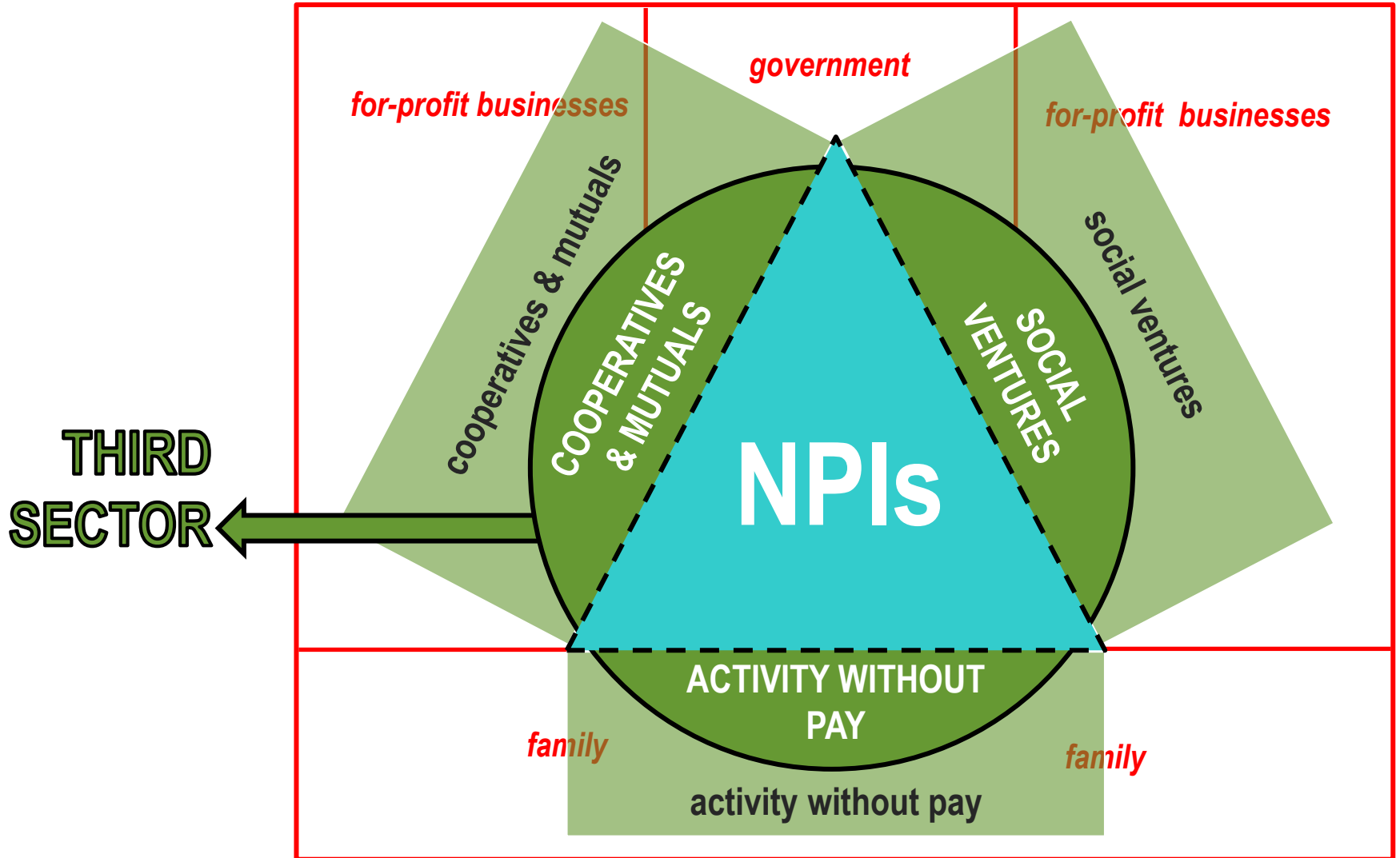
- **2011: ILO *Manual on the Measurement of Volunteer Work***
- **2013: ILO Revised Regulation on “Work”**

▣ Step 3: Third Sector



Measuring the Third Sector

Conceptualizing the Third Sector





Measuring the Third Sector

The Challenge

Key statistical machinery already accepted **BUT:**

- ❖ Implementation not universal in Europe
- ❖ Eurostat chose not to incorporate sub-sectoring provisions of 2008 SNA in ESA
- ❖ Stats community not bought in to TS concept



WP3: Data Availability Matrix

TSI Country	Nonprofits		Other institutions				Volunteering	
	NPISH	NPIs	Cooperatives		Social enterprises		Thru Orgs	Direct
			All	In scope	All	In scope		
Austria	1G(2010)	3WR(2001)	5W(2010)					
Croatia	1G(2010)	NA						
France	1G(2010)	3WR(2002), 5WR(2012)	5W(2010)	5			4	4
Netherlands	1G(2010)	3WR(2002), 5WR(2012)	5W(2010)				5	5?
Norway	1G(2010)	3WR(2004); 1FWR(2012)		none		none	7(2012), 4	4
Poland	1G(2010)	3WR(1997), 2WR(2010)	5W(2010)				7(2010), 4	7(2010), 4
Spain	1G(2010)	3WR(1995)	5W(2010)				4	4
U.K.		3WR(1995), 5	5W(2010)				5, 4	5, 4

Data Sources

- 1 - National accounts statistics (year) latest avail
- 2 - Other Govt reports (EU, national)
- 3 - CNP projections (xxxx) original data year
- 4 - Harmonised European Time Use Survey (HETUS)
- 5 - Nongovtl reports on NPIs, coops, volunteers
- 6- Regression estimate
- 7- ILO Volunteering Survey implementation

Variables

- W - Workforce (paid staff)
- G - Value Added Gross
- R – Sources



WP3: Data Availability Matrix

Other EU Countries	Nonprofits		Other institutions				Volunteering	
	NPISH	NPIs	Cooperatives		Social enterprises		Thru orgs	Direct
			All	In scope	All	In scope		
Belgium	1G(2010)	3WR(2004); 1WR(2012)	5W(2010)				4	
Bulgaria	1G(2010)		5W(2010)					4
Cyprus	1G(2010)		5W(2010)					
Czech Repub	1G(2010)	3WR(2004); 1WR(2009)	5W(2010)				1(2009)	
Denmark		3WR(2004)	5W(2010)					
Estonia	1G(2010)		5W(2010)				4	4
Finland	1G(2010)	3WR(1996)	5W(2010)				4	4
Germany		3WR(1995)	5W(2010)				4	4
Greece	1G(2010)		5W(2010)					
Hungary	1G(2010)	3WR(2003)	5W(2010)					
Ireland		3WR(1995)	5W(2010)				7	?
Italy	1G(2010)	3WR(1999); 2WR(2013)	5W(2010)				7(2013), 4	7(2013), 4
Latvia	1G(2010)		5W(2010)					4
Lithuania	1G(2010)		5W(2010)					4
Luxembourg	1G(2010)		5W(2010)					
Malta	1G(2010)		5W(2010)					
Portugal	1G(2010)	3WR(2002), 1WR(2006)	5W(2010)					
Romania	1G(2010)	3WR(1995)	5W(2010)					
Slovakia	1G(2010)	3WR(1996)	5W(2010)					
Slovakia	1G(2010)	3WR(1996)	5W(2010)					
Slovenia	1G(2010)		5W(2010)				4	4
Sweden	1G(2010)	3WR(2002)	5W(2010)				4	4



WP3: Data Acquisition Next Steps

Country	Nonprofits		Cooperatives		Volunteering	
	Proposed strategy	Partner input	Proposed strategy	Partner input	Proposed strategy	Partner input
Austria	CNP (2001) projection	Send newer data if available	Estimation from Chaves & Monzon report	Estimate "in-scope" share of these figures	Use newest available data	Obtain & send newest available data
Croatia	Regression approach	Obtain & send any available data, work w/ JHU to interpret results	Regression approach	Obtain and send any available data, work with JHU to interpret	Regression approach	Obtain and send any available data, work with JHU to interpret results
France	Use data from Atlas Commente de L'economie Sociale et Solidaire 2014	Extract and translate data tables, identify units in scope	Use data from Atlas Commente de L'economie Sociale et Solidaire 2014	Extract & translate data tables, identify units in scope	Use newest available data	Obtain & send newest available data
Netherlands	Use Netherlands Institute for Social Research data	Obtain and send data	Estimation from Chaves & Monzon report	Estimate "in-scope" share of these figures	Use newest available data from Giving in Netherlands Survey	Obtain & send newest available data
Norway	Use latest NPISA data	None, data available online	Estimate of in scope co-ops not incl. in NPISA	Provide estimate	Use newest available data	Obtain & send newest available data
Poland	Use 2012 GUS report	Work with JHU to interpret the data	Estimation from Chaves & Monzon report	Estimate "in-scope" share of these figures	Use 2010 report based on ILO manual	Work with JHU to interpret the data
Spain	Regression approach	Obtain & send any available data, work w/ JHU to interpret results	Estimation from Chaves & Monzon report	Estimate "in-scope" share of these figures for ALL countries	Use HETUS-based estimates	Work with JHU to interpret the data
U.K.	CNP (1995) Projection, or NCVO or other data	Provide newest data on voluntary sector, estimate NPIs not included	Estimation from Chaves & Monzon report	Estimate "in-scope" share of these figures	Use Community Life Survey data	Obtain number of hours volunteered from the Community Life Survey



THANKS!!!

www.thirdsectorimpact.eu · participate@thirdsectorimpact.eu



Measuring the Third Sector

WHERE THINGS STAND

- 1) NPISH--All but UK**
- 2) NPI HB—only Norway, but work underway in France, Germany, Poland + outside**
- 3) ILO Volunteer work—only Poland, Norway**
- 4) CO-OPS: Legal form vs. in-scope**
- 5) Social enterprises: only UK**