



THIRD  
SECTOR  
IMPACT

Measuring impact.  
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## BARRIERS

Policy Brief No. 5/2016

# Recommendations to tackle third sector barriers in Austria

Author

a.o. Univ. Prof. Dr. Ruth Simsa



This project has received funding from the European Union's Seventh Framework Programme (FP7) for research, technological development and demonstration under grant agreement no. 613034.

## Policy recommendations

One of the biggest barriers of TSOs stems from a lack of financial resources. Representatives of TSOs reported a lack of public funding and private donations as well as decreasing profit margins from business activities. As a result, there is an ongoing trend towards the marketization of TSOs and a continuous process of professionalization, which is potentially suppressing their social impact and civic mission. As work requirements increased while salaries stagnated in several fields, the attractiveness of TSO-employers partly declined. The working conditions of employees often are precarious and atypical. Furthermore, there is a lack of volunteers. As voluntary engagement becomes more short-term oriented and flexible, TSOs face a challenge to keep volunteers committed.

The following list of recommendations could dissolve some identified barriers and relieve tension:

### 1. Policy recommendations Funding / Financing

- Clarify scopes of service contracts, enabling more TSOs to take part in tendering processes, as organisations need to meet service requirements.
- Valorise service contracts, relieving tensions in negotiation processes, as they potentially jeopardise the image of the third sector.
- Establish long-term contracts, reducing the planning uncertainty especially of smaller TSOs.
- Adopt procurement modalities, meeting the characteristics and the diversity of TSOs.
- Create pre-financing mechanisms, enabling smaller TSOs to compete with well-established TSOs.
- Ensure transparency during the awarding process, enabling TSOs to become more professional, as they need to identify and address weaknesses.
- Provide more subsidies for specific third sector fields (i.e. arts, culture, advocacy), reducing the lack of financial resources, as service contracts in these fields are limited.
- Extend tax deductibility for specific fields (i.e. advocacy), attracting more donations, as some fields are highly dependent on philanthropy.
- Reduce bureaucracy efforts for TSOs (especially at EU-level), reducing the costs for participating in tendering processes and administration tasks.



- Homogenise evaluation and controlling tools used in monitoring processes, enabling TSOs to sustainably adopt their structures.

## **2. Policy recommendations Human Resources**

- Raise acknowledgment for the third sector, increasing incentives for TSOs, employees and volunteers to engage in the sector.
- Provide resources for capacity building of paid staff and volunteers, allowing organisational development, as demand for high quality services rise.
- Provide resources for volunteer-management, supporting TSOs build professional structures for volunteering, as engagement becomes more short-term and topic oriented.
- Support national co-ordination/matching of demand & supply of volunteers, establishing a key co-operation partner for TSOs on national/European levels.
- Recognise the skills of volunteers (by certifications or diploma suitable for CV), enhancing the attractiveness and incentives for voluntary engagement.
- Pay more attention to working conditions in TSOs, increasing social awareness, as working conditions sometimes are precarious and atypical.

## **3. Policy recommendations Governance**

- Acknowledge the third sector as part of the European culture, highlighting the diversity and the contributions of the third sector to public welfare.
- Create legal stipulations of the third sector in Europe, sharpening the blurring boundaries of non-profit and for-profit.
- Gather and integrate data of the third sector in adequate statistics (i.e. satellite accounts), providing data for science and quantitative studies.
- Provide structures for third sector representatives inside EU institutions, allowing political participation of TSOs, as advocacy is a key function.
- Face the third sector on the same footing as the business sector, acknowledging the professionalism and efficiency of TSOs.
- Foster cooperation between TSOs and local governments in specific topics, integrating the expertise of the third sector in decision making and projects.

## **4. Recommendations for Organizations**

- Do not outsource core functions (i.e. fundraising or recruitment of members), ensuring more organisational freedom.



- Provide resources for capacity building and volunteer-management, further increasing professionalism, as voluntary engagement shifts and requirements rise.
- Improve working conditions in TSOs, encouraging highly skilled and motivated employees and volunteers for long-term engagement.
- Establish professional volunteer management, providing contact persons and accompanying services (i.e. burn-out prevention and supervision).
- Foster qualification, diversification and recruitment of the board
- Use new donation instruments (i.e. crowd funding, social bond investment or venture philanthropy, social impact bonds) in addition to established fund raising, diversifying accessible donation markets and donators.
- Build advocacy partnerships and networks, increasing the attention of political policymakers.
- Cooperate with other TSOs in projects, establishing viable partnerships for forthcoming projects and cooperation.
- Foster contact with local communities, accessing additional resources and support.
- Create possibilities for the development of new organisational forms and practices, ensuring long term competitiveness, as organisational innovations are created.
- Create structures and processes, securing the survivability of the organisation, as the dependency from founders can be reduced by effective succession-planning.

