

Survey on the NGO sector in Portugal

SUMMARY



FUNDAÇÃO
CALOUSTE GULBENKIAN
CIDADANIA ATIVA



Survey on the NGO sector in Portugal

S U M M A R Y

Study on Non Governmental Organizations
carried out by the Catholic University of Portugal,
coordinated by Raquel Campos Franco



FUNDAÇÃO
CALOUSTE GULBENKIAN
CIDADANIA ATIVA



ICELAND
LIECHTENSTEIN
NORWAY

RESEARCH TEAM

Alexandra Esteves
School of Social Sciences,
Catholic University of Portugal

Américo M. S. Carvalho Mendes
School of Economics and Management
and Transversal Area of Social Economy,
Catholic University of Portugal

Ana Lourenço
School of Economics and Management,
Catholic University of Portugal

Fernando Chau
Study Centre on Peoples and Cultures,
Catholic University of Portugal

Filipe Pinto
School of Economics and Management
and Transversal Area of Social Economy,
Catholic University of Portugal

Francisca Guedes de Oliveira
School of Economics and Management,
Catholic University of Portugal

Manuel Antunes da Cunha
School of Social Sciences,
Catholic University of Portugal

Marisa Tavares
School of Economics and Management,
Catholic University of Portugal

Raquel Campos Franco
School of Economics and Management,
Catholic University of Portugal

Ricardo Gonçalves
School of Economics and Management,
Catholic University of Portugal

Sara de Azevedo Garrido
Transversal Area of Social Economy,
Catholic University of Portugal

Sofia Silva
School of Economics and Management,
Catholic University of Portugal

Tommaso Ramus
Catolica Lisbon - School of Business and Economics,
Catholic University of Portugal

CASE STUDY AUTHORS

Elisabete Monteiro
Researcher

Filipe Pinto
School of Economics and Management
and Transversal Area of Social Economy,
Catholic University of Portugal

Leonor Rodrigues
Researcher

Marisa Tavares
School of Economics and Management,
Catholic University of Portugal

Rosário Pereira Faria
Researcher

Rosário Silva
Researcher

COORDINATION

Raquel Campos Franco
School of Economics and Management,
Catholic University of Portugal

GRAPHIC DESIGN

TVM Designers

PRINTING

Gráfica Maiadouro

PRINT RUN

500

ISBN 978-972-31-1552-9
Legal Deposit 388535/15

EDITION

Calouste Gulbenkian Foundation
Av. de Berna, 45A
1067-001 Lisboa
Portugal
Tel. (+351) 21 782 3000

Email: cidadaniaativa@gulbenkian.pt
www.gulbenkian.pt

© Calouste Gulbenkian Foundation 2015

PREFACE

The Calouste Gulbenkian Foundation, within the overall framework of its philanthropic activities carried out to the benefit of its host community, has taken on an increasingly active role in rendering support to Civil Society Organizations, both through intervention in social responses and in defence of causes or in improving the workings of democracy.

This support has not only reached out to social intervention projects but also to the empowerment of Non Governmental Organizations as well as reflecting and promoting the mechanisms and processes that thus render the actions undertaken by these entities with altruistic vocations more sustainable, effective and with greater social impact.

This mission was recently strengthened by the Foundation's implementation of the Cidadania Ativa Programme following the selection process carried out by the countries funding the Financial Mechanism of the European Economic Area. This is the first broad programme exclusively dedicated to non governmental organization (NGO) initiatives and holds the ultimate goal of strengthening this sector and stimulating the more active participation of the populations in the design and implementation of the policies impacting on their lives.

The Cidadania Ativa Programme contains a four year duration – 2013 to 2016 –, involves €8.7 million in funding and also established the following priority areas: the participation of NGOs in the definition and implementation of public policies; human rights, non-discrimination and support for vulnerable groups; NGO empowerment; and the employability and social inclusion of young people.

In parallel to direct support for the projects run by Non Governmental Organizations, including cooperation with the donor countries, the Foundation launched diverse initiatives seeking, on the one hand, to update the information available and to better understand this sector, its restrictions in recent years and, on the other hand, to foster the terms necessary to endowing a greater level of visibility and sustainability to the development of these organizations.

Hence, this provides the context for the production of this study by the Catholic University of Portugal following a tender issued to all Portuguese universities. This sought to carry out a concise and up-to-date diagnosis of the NGO sector in Portugal, detailing to a greater or lesser extent its strengths and weaknesses and identifying those future paths to supporting the actions generating merit for the sector.

This study naturally began with a consideration of the actual Non Governmental Organization concept in order to define the universe of analysis. With the concept not typified by the Portuguese legal framework, the authors, inspired on the literature and international experience, had thus to define a coherent set of criteria capable of defining the set of philanthropic entities and justify their inclusion in an active civil society organizational support policy. Thus, this study would desirably serve as the basis for a broader reaching reflection on the subject, helping to cement the NGO concept.

Finally, a special mention of thanks to Professor Raquel Campos Franco and her team for the commitment shown in the production of this study, which enabled obstacles to be overcome and to submit, within a challenging timeframe, a high quality study that stands as a point of reference for Non Governmental Organizations in Portugal.

ISABEL MOTA
Member of the Board
Calouste Gulbenkian Foundation

[The following text is heavily obscured by a large black redaction box.]

[The following text is heavily obscured by a large black redaction box.]

This study was drawn up by the Catholic University of Portugal during 2014 for the Calouste Gulbenkian Foundation with the aim of filling knowledge gaps on NGOs operating in Portugal. Its main contributions are as follows:

- definition of a **concept of NGO** based on **economic concepts** appropriate to this end and expressed in the form of a detailed description of the sectors of activities and of what NGOs and their legal statutes are believed to be;
- setting of a **database** that is consistent with that concept and built specifically for that purpose from an existing one (DES – Social Economy Directory) where all social economy organizations are included. This database is currently being built at the Catholic University of Portugal (Porto), and has made it possible to quantify **the total number of NGOs and their distribution by main sectors of activities, legal statuses and location**;
- a description of the **internal organization of NGOs** with regard to **governance and management, human resources, facilities, funding, networking and relationships with public bodies**. This description was based on an extensive nationwide survey conducted with 153 NGOs representing all the sectors of activities where NGOs operate; the latter was complemented by a smaller online survey conducted with 350 NGOs operating in the areas of Human Rights and Active Citizenship with a response rate of 20%; an econometric study of the factors influencing economic sustainability of IPSSs (social welfare entities); and 10 specific case studies on social NGOs and on NGOs operating in the sector of Human Rights and Active Citizenship.

SECTION 1

THE CONCEPT OF NGO

According to the concept of NGO proposed in this study, non-governmental organizations are organizations that fulfill all the following criteria:

- They are **legal persons, civil and corporate**;
- They are **private** organizations, in the sense that they are a civil society initiative and, therefore, are not directly or indirectly administered by the State, are not part of the autonomous Public Administration and cannot be fitted within the category of collective interest undertakings;
- Their **governance is independent** from the State;
- Their **clients**, which generally do not coincide with their users, are **volunteers**, in the sense that they are free to contribute in cash, in kind or in voluntary work to the economic sustainability of these organizations;
- Their main mission is to encourage collective action to promote **relationships based on solidarity** between human beings and between the latter and the environment where they live;
- The overall outcome of the activities performed by these organizations when they carry out their main mission has the nature of a **public good** (e.g. reduction of poverty and of any other forms of social exclusion, protection of human rights, reduction of regional disparities, environmental protection, protection of architectural and cultural heritage, civil protection, improvement of public health, increasing knowledge in the public domain, etc.), although the goods and services they provide to their users individually can be private goods or services, or club goods, as long as that they are delivered in terms that do not undermine their mission but are instrumental to its completion (e.g. production of goods and services provided below cost by IPSSs to users who would not otherwise have access to them);
- **Surpluses** generated by these organizations are **reinvested** in the accomplishment of their mission and are not distributed amongst their owners, directors, employees, users or clients;
- The goods, which are the organization's assets, are managed according to the principle of "**universality**", i.e., in a way that benefits society at large and not exclusively the owners, directors, employees, associates, clients or users of these organizations.

SECTION 2

HISTORICAL ROLE OF NGOS IN THE PORTUGUESE ECONOMY AND SOCIETY

In order to understand Portuguese NGOs today it is necessary to know their history, the diverse forms taken on by solidarity, either individually or collectively, what was behind the boosts they staged, what explains the control they have been subject to and the restrictions that have been imposed on them. These are the key moments in the history of NGOs, their institutions and main roles:

- Social solidarity organizations found in Portugal in the **Middle Ages** are either Church-related or strongly inspired by Christian values and by the works of mercy. Christian charity was the driving force behind the building of institutions.
- Brotherhoods are among the institutions that have taken a greater role in the Middle Ages. They are responsible for the building of hospitals, hospices and inns. The growth of medieval cities and the development of trades lead to the emergence of guilds, which are robust manifestations of lay associations.
- Poverty was instrumental: it is safe to assume that any projects led by the State or the Church to eradicate poverty were unessential since the poor were needed to strengthen the links of solidarity between the living and the dead for the redemption of the soul. Despite the absence of social concerns on the part of the State, welfare organizations were subject to royal and ecclesiastic scrutiny that regulated their performance.
- The service provided by the majority of these organizations did not stand out for its quality and there were recurring cases of mismanagement. This framework led to a restructuring of the welfare sector similar to what was happening elsewhere in Europe.
- In the **Modern Era**, the *misericórdias* became the most influential players in the welfare sector. These royal institutions with a Christian inspiration were founded by Queen Leonor in 1498 and were part of a larger movement that reorganized the welfare sector in Europe.
- The *misericórdias* were supported by the State right from the onset, which, in this way, sought to exert its control over their care-related activities.
- Brotherhoods also played a relevant role during this time in providing help to the needy while *corporações* (corporations) went on operating as charitable institutions.
- During the reign of José I the crown began to interfere more in the lives of institutions, not only in those that were under royal protection like the *misericórdias* and hospitals, but also in brotherhoods and *ordens terceiras* (third orders).
- The establishment of the constitutional monarchy marked the beginning of the **Liberal Era**, which entailed significant changes in the main areas of activity of the *misericórdias*. Some of the services that they provided were deleted and they began to be monitored and inspected by the administrative bodies created by the new political order.

- This was a period of intense development for associations with the emergence of societies, associations and clubs in different social and professional quarters and for various purposes. The extinction of *corporações* (corporations) in 1834 was followed by the creation of the first association in 1839. In the late nineteenth century, the number of associations connected to the labor movement was already relevant. Mutual societies appear in response to the difficult living and working conditions of the working classes, particularly laborers, who were unprotected and exposed to various risks. The last years of the nineteenth century are characterized by the appearance of the first cooperatives and trade associations which, similarly to mutual societies, were able to overcome the difficulties the country went through at the time. Farmers' unions gain momentum and associations of a Catholic nature appear.
- The eradication of poverty remained a pipe dream, only to be marginally compensated by the work of the *misericórdias*, brotherhoods and *ordens terceiras* (third orders) – the last two more focused on assisting their brethren – and of the Church. Despite the nineteenth-century secularizing intents, the Church continued to play a central role in assisting those in need.
- During the **Estado Novo** period, centralized power becomes wary of and hostile to civil society organizations, particularly mutual societies and cooperatives, seen as bodies of a collectivist nature. In an effort to control the activities of associations, the State drove out governing bodies, persecuted activists, extinguished certain associations and integrated others into corporate institutions that had been set up such as *Casas do Povo* (community meeting houses) and *Casas dos Pescadores* (meeting houses for fishermen).
- Welfare is basically dominated by the Church with its *Centros Paroquiais* (parochial centers), and the Portuguese Caritas comes into being after the Second World War.
- After the **25th of April 1974**, civil engagement became particularly dynamic in different areas of activity and citizens got increasingly involved in various types of associations such as unions, employers' organizations, social solidarity institutions, aid agencies, cultural, sports and recreational associations. After Portugal joined the European Economic Community, the number of organizations, particularly associations and cooperatives, increased significantly.
The level of engagement of Portuguese civil society in social movements is low. The country, however, has known a few social movements in recent centuries although they have not been as significant here as in other countries.
- Examples of "**early social movements**" are to be found in Portugal in the beginnings of the liberal capitalist society in the first half of the nineteenth century. They took the form of subsistence riots and acts of banditry led by gangs of thieves that operated in the most isolated parts of the country.
- The process of industrialization in Portugal happened later and at a slower pace than in the other industrial nations. As a result, the **labor movement** also developed more slowly.

- From the 1870s, Portuguese workers begin to let go of the bourgeoisie's patronizing protectionism and become truly class conscious.
- As the country entered the twentieth century and a new regime was established, the tension in the relations between the working class and the power groups was not defused. Social unrest which led to strikes, persecutions and arrests, got worse when Portugal entered the First World War and the living conditions in the country began to deteriorate, especially for the people living in the urban centers.
- After the setting up of the authoritarian regime, the labor movement entered into a period marked by repression and persecution, during which workers were forced to carry on their resistance underground or under semi-clandestine conditions.
- The Portuguese **women's movement** is linked to the creation of the *Liga Portuguesa da Paz* (Portuguese Peace League), which included a feminist section from 1906 and gained importance with the rise of republican currents. The arrival of the Republic awarded certain civil rights to women although they continued to be denied political rights such as the right to vote, which was not recognized until 1931 under specific conditions. Due to its elitist nature, the women's movement was not marked by violence unlike some of its counterparts.
- During the *Estado Novo* only the women's organizations that were supported by the regime were allowed. In the 1950s, women took part in opposition movements to the regime. In the late 1960s and in the 1970s mostly, the women's movement became more vibrant although it pursued different goals and focused more in issues like sexuality, love and career.
- From 1974, the women's movement takes up new causes and focuses on new fights such as the decriminalization of abortion and the right to contraception. However, immediately after the end of the authoritarian regime many of the women's claims became less pressing given the myriad of problems faced by Portuguese society.
- During the 1970s, the Women's Liberation Movement appeared, in the wake of the *Novas Cartas Portuguesas* (New Portuguese Letters) trial, presenting itself as a more radical wing of the women's movement. These issues were kept alive within the Portuguese movements throughout the 1980s, although the feminist wave lost some of its impetus.
- During the 1990s women's movements became global. The most recent causes include the campaign for parity and the fight against domestic violence. At the turn of the millennium, abortion was the issue at the centre of the political agendas and of women's movements.
- **Student movement** in Portugal grew stronger during the 1960s although the opposition to *Estado Novo* began just after its introduction and intensified in the 1950s, after the Second World War. The fight against the regime was fuelled by ideals such as freedom and equality. The defense of universities' autonomy and the opposition to the colonial war were the issues at the core of the student demands.

- Political meetings were prohibited, so many young people discussed their ideas and exchanged views within local or parochial movements with a Catholic basis, which were unlikely to arouse the suspicion of the political police.
- From the 1970s, student movements toughened their stance against the regime, which explains the strong politicization of academia and of its demands in Portugal. The penetration of extreme leftwing groups in academia also played a role in this. Opposition to war became a key issue for the student movement.
- Student movements in the 1990s revolved around the debate and the fight against tuition fees.
- Regarding **peace movements**, with the consolidation of liberal states from the middle of the nineteenth century onwards there is a proliferation of peace and antimilitarist associations in which women played a relevant role. At the outbreak of the First World War, the peace movement was negligible in Portugal.
- The **environmental movements** and the development of a culture of environmental associations in Portugal needs to be seen in the context of a string of social trends that characterized the country throughout the twentieth century and that Soromenho-Marques summed up in four essential points: prevailing rural environment, lack of competitiveness, poor literacy combined with a flimsy organization of civil society and a bureaucratic and outdated State.
- Until de mid-1980s, the Portuguese environmental movement faces serious difficulties to establish itself within the country, given that public opinion was still more focused on other priorities (consolidation of democracy and fight against poverty). Another reason has to do with the strong individualism and fragmentation of the various interventions in support of the environment.
- During the 1990s, despite the disappearance of a number of structures that had sprung in the previous decade, a few Portuguese NGOs (Quercus, Liga para a Proteção da Natureza, GEOTA) succeed in influencing the national environmental agenda through their staff's level of training and qualifications, most of which were recruited from an urban elite.
- The **LGBT movement** in Portugal has gone through three different stages, in line with the pattern followed in Southern European countries: the first stage (1974-1991) is subdivided into two different periods that are separated by the development of the AIDS epidemic (1984-1986; homosexuality was decriminalized in Portugal in 1982); the second stage (1991-1997) begins with the setting up of the first long-lasting association and includes a transition period with mixed characteristics (1995-1997); in the last stage (begun in the mid-1990s) organizations with representativeness and visibility within the community arose. They brought pressure on party-political bodies and had their own political agenda.

SECTION 3

INSTITUTIONAL DEVELOPMENT OF NGOS IN PORTUGAL AND THEIR POSITION WITHIN SOCIAL ECONOMY ORGANIZATIONS

One of the goals of this Study was to provide data on the **total number of organizations** that matched the concept of NGO proposed in section 1 and on their **geographical distribution, main sectors of activity and legal statuses**. Thus:

- for the whole country and using **DES – Social Economy Directory**, which is being organized by *ATES-Área Transversal de Economia Social da Universidade Católica (Porto)*, **17,012 organizations** with features corresponding to the concept of NGO proposed in this study were accounted for;
- the **central core** of this cluster, which accounts for one third of the total number of NGOs, corresponds to organizations that stem from an effective initiative coming from the people on a **territorial basis that is generally below municipality level** (at parish level or of related parishes) and are aimed at providing a collective response to the need for **social services** (through IPSSs, i.e., social welfare entities, and other organizations in this area), responding to **emergency** situations (through humanitarian organizations of voluntary firemen) and to **needs for artistic and cultural expression**, often combined with recreational purposes (through cultural, recreational and sports collectives and residents' associations);
- the remaining NGOs stem from groups where that territorial basis and the need for community-based services are non-existent, or are not as relevant, as in the case of activities related to science, environmental protection, human rights protection, education and development, cooperation and other international activities;
- thinking of that as the central core of Portuguese NGOs one of the consequences on their geographical distribution is a **regional disparity in the ratio of the number of inhabitants per NGO** which is significantly lower in the hinterland than in coastal districts; this is likely to have an increasingly negative impact on the NGOs that operate in the hinterland as the population in this part of the country decreases;
- the district of Lisbon is the **exception** to this regional distribution due to a specialization that is out of line with the model of "Cultural, Recreational and Sports Collectives / IPSS (social welfare entities) and other social service NGOs / Humanitarian Organizations of Firemen" justified by the fact that it is home of most scientific societies, of NGOs with international activities and of a great number of immigrant and immigrant-support associations;
- NGOs geared to providing services and allocating resources to support social economy organizations are beginning to emerge. This group of organizations, however, is still relatively small and is not diversified enough to provide a satisfactory response to these support needs;

- until this day, the only **national platform with representativeness and some bargaining power**, and strong enough to have an effective influence on funding and on public policy measures, came from within the group of “Cultural, Recreational and Sports Collectives / IPSS and other social services NGOs / Humanitarian Organizations of Firemen” which is at the very core of the NGO sector. To be more precise they are umbrella organizations for IPSS (CNIS, *União das Misericórdias Portuguesas* and *União das Mutualidades Portuguesas*).

SECTION 4

THE CAPACITY OF THE NGO SECTOR

The methodologies adopted in this study were designed to meet the demands of the Calouste Gulbenkian Foundation and were developed in cooperation with it. Two surveys aimed at describing the NGO sector in Portugal were developed and administered to a significant number of organizations. Case studies were also carried out to gain a better and deeper understanding of the sector in a real-life context. The purpose of the surveys was to collect data that will serve as a basis for the analysis of the capacity of the NGO sector in Portugal, while the case studies helped to give greater emphasis to contextual issues and enrich the level of detail of the collected data, in order to address such explanatory issues as “how” and “why”. Here is a summary of the results obtained:

A) Governance and Management

The surveys tell us that:

- The NGOs operating in Portugal are led by volunteers, predominantly highly-educated, middle-aged men;
- The NGOs operating in Portugal are led by volunteers that are committed to their management duties. They are not easy to replace but they do not perpetuate themselves in their jobs and their succession is not dynastic;
- The statutory Boards (“Boards” from now on) delegate decisions on current matters to executive directors, but the former are still not very open to external participation and scrutiny, despite evidence that internal participation is beginning to take on a certain course.
- NGOs have increasingly invested in implementing marketing activities and in strategic planning, although there is still a long way to go.

The case studies tell us that:

- Having **effective statutory bodies, with special emphasis on the Board**, is essential for implementing successful management practices. Most of the organizations surveyed

refer that the **involvement** of all those who take part in the life of the organization is a critical element for success. This should be achieved by delegating competences to all actors by making them accountable and autonomous. Even larger organizations with tighter management procedures are willing to put into practice more participatory and flexible methodologies. Although the Board plays a decisive role in ensuring the success of the organization, some NGOs report experiencing difficulties in finding competent and motivated people who are willing to commit to their duties (almost always as volunteers) as members of the statutory Bodies. This difficulty in attracting people, together with the financial problems faced by many organizations, explains why more informal and centralized managing structures still prevail in many of the NGOs surveyed, in which the Board tends to multiply its roles and duties. Although likely to weaken the management of NGOs, this accumulation can also encourage proximity between the Board and the whole team, who is forced to work together to ensure the survival of the organization.

The assignment of different “areas of responsibility” to members of the Board is often referred to as a successful way to organize and distribute responsibilities amongst all the members of the Board. Communication and articulation between the Board, the executive director and the teams operating on the ground is fundamental. Here are a few examples of management practices that were identified as likely to encourage a smooth flow of information (both top-down and bottom-up): the presence of executive members in the Board, regular meetings between the Board and the teams working on the ground, the existence of an intermediary (secretary general) who is a bridge between the Board and the organization’s day-to-day operations and a Board where all the different key departments are represented.

Organizations refer that **strategic planning** provides a long-term view that goes beyond the mandate of the statutory bodies and is a guarantee of stability for the organization’s strategy. Some, however, said that they have faced difficulties in the formal establishment of long-term objectives.

- Virtually all NGOs declared that **Marketing and Communication** is a crucial area for the future of the organization. The promotion of the image of the NGO, its dissemination and recognition by the community can have positive impacts on fundraising and sustainability. In spite of this awareness, however, some of the surveyed organizations have only recently begun to concentrate on this area. Others believe that this is one of those fields that need to be further developed whereas others mention the lack of human resources and of a specific department for this purpose.

Quality certification processes are identified as crucial contributors to service quality and as an important differentiating factor from competitors. This certification process, a challenging task due to lack of time, skills and resources, is still at an early stage (or has not yet started), in some of the surveyed organizations.

B) Paid workers and volunteers

The surveys tell us that:

- Paid workers are mostly female workers who work full-time under open-ended contracts;
- The staff management system is somewhat formal in a high percentage of NGOs, but despite the improvements in recent years the need for training remains considerable;
- Volunteers are present (in addition to those who are members of the statutory bodies) in most NGOs, although in small numbers in each organization and in most cases without a contract and lacking volunteer training.

The case studies tell us that:

- **Paid workers** are regarded as a fundamental asset for organizations. All the surveyed NGOs state that, by virtue of their mission, the recruitment of employees who are aligned with the vision of the organization is a key element in the success of their work. Organizations recognize that the high standards and availability required by the tasks carried out by paid workers often demand a service-minded attitude and a sense of mission that benefit volunteers. Some employees have been involved with the organization for many years before being hired. Some are former users, others are volunteers, which may help them to be aligned with the organization's cause and vision. The level of demand of their duties, on the one hand, and the financial difficulties faced by the organizations, which prevent them from paying very high wages, on the other, lead the Board and executive directors of the different NGOs to experience difficulties in recruiting a higher number of qualified employees which would be of relevance to the development of on-site activities. Most of the organizations surveyed report having implemented a written handbook with a job description for each job as well as a performance assessment process. Even smaller organizations, where the performance assessment process does not translate into significant career advancement as the organization's internal structure is very small, make an effort to use this assessment to identify the most pressing needs in training so that employees can grow and enrich their skills. Some organizations stress the need to increase and develop the management skills of their employees.
- The role and importance of **volunteers** differ greatly from organization to organization. Some NGOs rely on the work of volunteers for their activities and employ very few paid workers; others look at volunteers as an additional means to enrich their activity and do not think of them as replacers for paid workers.

Organizations whose work on the ground relies on the work of volunteers often refer that volunteer training and monitoring is of great importance, as is encouraging them to be independent, engaged and responsible people. Organizations that resort less to the work of volunteers often report bad experiences at this level. They also mention the difficulty in attracting, on a regular basis, volunteers with the right profile in terms of maturity, commit-

ment and resilience. However, these organizations also express the wish to improve their strategy to manage volunteers, which allows us to raise the issue of whether or not failures are related to faults in the management of volunteers.

In addition to the work done within organizations, several NGOs mention the relevance of volunteers in disseminating the work of organizations with the community or in promoting the image of the NGO. Several organizations highlight that the changes in the economic context in the aftermath of the crisis, the difficulties experienced in the job market and certain social and cultural changes have made it difficult to attract enough volunteers and, above all, with the desired quality. The increased awareness of social issues on the part of the community and the availability of extremely qualified people that have reached retirement age are likely to open up new opportunities for volunteer work.

C) Sharing of resources, networking and relationships with public bodies

The surveys tell us that:

- The sharing of material and human resources is not very common and is only relevant with regard to the use of facilities;
- Networking and partnerships can be found in most NGOs, but they are probably centered on the sharing of information and not of other types of resources;
- NGO's most frequent dealings are with the public bodies that are closest to them (de-concentrated Central Government and local government). These are also better quality dealings and the ones that are more likely to lead to partnerships.

The case studies tell us that:

- The relevance of **networks and partnerships** with public bodies or private organizations differs according to the type of activities developed by the organization. However, nearly all of the surveyed NGOs stress the importance of these partners:
 - In sharing best practice;
 - In promoting synergies;
 - In maximizing complementary features and in sharing resources;
 - In broadening knowledge and experience on the field;
 - In improving service quality.

Some NGOs point to the lack of efficiency and to the inoperability of certain networks, as well as to the difficulty in setting up partnerships with funding public bodies on a horizontal basis. With respect to this, the surveyed NGOs refer that the work carried out with central government decentralized agencies, municipalities and *Juntas de Freguesia* (parish level administrative authorities) is more effective, more open and more participatory. This confirms the results obtained in the more extensive survey conducted with NGOs.

D) Income and expenditure structure

The surveys tell us that:

- Considering that personnel costs are the main share in NGOs' costs, more and better partnerships could be one way to increase efficiency in the purchase and use of goods and services;
- Public funding constitutes a very important source of income for NGOs. It is complemented with contributions from users and donations from private individuals. Corporate donations are still not very relevant;
- The majority of NGOs is engaged in obtaining funding from private donors, mostly from individuals rather than from businesses. Most of them, however, lack organization and skills in this field;
- The most important issues for NGOs are those relating to their economic sustainability.

The case studies tell us that:

- **Financing difficulties** are clearly the main concern of the organizations interviewed and those answering the surveys. Nearly all the organizations refer to a perception of decrease in the availability of public funding as one of the greatest challenges for their sustainability. Diversifying the sources of funding is therefore identified as an essential step for their survival.

However, the case studies show very diverse realities with respect to the revenue structure. Some organizations rely on public funding for 85% of their budget, while others are very skillful at attracting private funding (which may reach as much as 60%). Several organizations report difficulties in attracting financial support from businesses (or in maintaining this support) due to the difficult financial and economic situation. Businesses, however, are much more responsive to partnerships and to the provision of pro bono specialized services, a type of support regarded as essential by some of the surveyed NGOs. This support is not accounted for as a donation by some organizations and is only seen as a cost reduction (and not as "inflow").

With regard to **funding based on applications to national or European public incentive programs**, the surveyed NGOs identified the following specific problems: the organizations' field work becomes dependent on a list of priorities that may not always coincide with theirs; some organizations feel that the whole application process is difficult and costly (in terms of money and resources); references were also made to a certain lack of adjustment of public policies, which often tend more to the funding of large projects (and large NGOs), excluding small organizations.

Own revenue potential is referred to by some NGOs, but it lacks development and additional investment on the part of nearly all the surveyed organizations. NGOs indicate the increasing difficulties encountered by users to pay their contributions. Membership fees

have an almost residual value and, despite a large number of members, several of the NGOs surveyed find it very difficult to ensure that they pay their fees on time. Several NGOs seem to be pondering the use of own revenues to set up social businesses in the near future. This, however, is merely a possibility that organizations are still analyzing and maturing.

- Some of the organizations surveyed emphasized the urgent need to develop **skills** in the area of fundraising and to increase the knowledge on the “market” of potential private donors. Organizations that manage to obtain good funding from private donors report that it is crucial to secure the loyalty of benefactors. This is largely achieved through tailored communication, transparency in the presentation of accounts and regular reporting of the results of the work undertaken by organizations.

In general, the case studies tell us that:

- **Context** is described by organizations as increasingly difficult, dynamic and complex. Sometimes, NGOs refer to it as a threat. Others, however, see it as an opportunity. **Financial problems** are equally seen as a threat to the sustainability of NGOs and simultaneously as an incentive and an opportunity for NGOs to reinvent themselves.
- The **growing demands of users**, the **increasing complexity of problems** to be resolved and the **increased competitiveness** from other organizations, both in the services provided and in the access to funding, are some of the issues faced by NGOs. Another challenge is the building of capacities within the organizations that operate in this sector, which will need to prove they are equal to the task that lies ahead.

SECTION 5

INTERNATIONAL COMPARISONS

In order to understand Portuguese NGOs it is important to understand the European and international reality of nonprofit and social economy organizations. Our goal was twofold: firstly, to highlight the peculiarities of this sector in Portugal compared with other European countries with respect to its legal framework, composition and evolution over time; secondly, to describe the impact of this sector on the economy and on the well-being of the population comparing it with other countries by presenting specific cases of particular interest. Thus, to summarise:

- In the US, the third sector arises from the reaction against eighteenth-century European absolutism and the power of State-Church relations. It has therefore been held as an ideal

type of liberal model of civil society where a low level of government spending for social and welfare services – such as healthcare, education, culture, and welfare – has been associated with a large nonprofit sector, financed not only (and mainly) by the state but also by private donations.

- In Western Europe, social economy organizations – in the form of cooperatives, associations, foundations and mutual societies – were already active and central to the provision of social services before the Second World War.
- It is possible to identify four different specific patterns in Europe (following Defourny and Nyssens, 2010; Borzaga and Defourny, 2001):
 - The Bismarckian or “corporatist” countries* such as Germany, France, Belgium, and Ireland – where social economy organizations have historically played a significant role in the welfare and healthcare sectors, usually under the supervision and financial support of public bodies, in particular for the implementation of labor policies for marginalized people who have been rejected from the job market.
 - The Nordic countries*, including Sweden, Finland, and Norway – where nonprofit organizations have always had a peripheral role and have been mainly focused on advocacy and representative activities because of the dominant role of public bodies in the provision of public services and goods in the education, welfare, and healthcare sectors.
 - The United Kingdom* – follows a liberal model in which a low level of public spending for social services is associated with a strong nonprofit and voluntary sector that is largely financed by private sources.
 - The Southern European Countries*, namely Portugal, Spain, and Italy – after the dictatorships, during the late 1970s and early 1980’s, these countries experienced high level of unemployment and the inability of the State to provide adequate social services; so social economy organizations re-acquired centrality in the provision of public services, particularly in the welfare and in the personal service sectors.
- Social services in particular is the most important area of intervention in Southern European countries (Italy, Spain and Portugal), where the nonprofit sector has historically replaced the State in this area of activity. While in France and in the UK, social economy organizations are prevailing in the provision of expressive services (culture and education), in Scandinavian countries they have an exceptional relevance as political actors that identify unaddressed problems – such as human rights violations, pollution – and bring them to the public.
- With respect to legislation, the role of social economy actors such as cooperatives, mutual societies, associations and foundations as legitimate civil society private agents has been recognized in nearly all European countries. However, not all forms of social economy, particularly cooperatives, have been recognized to a similar extent.
- The US is more highly dependent on private donations than Portugal, where, by contrast, nonprofit organizations depend very much on public funding.

A few data:

- Associations and foundations are the main social economy “family” in Europe, comprising more than 2.5 million organizations (92%), and employing more than 9.2 million people in the EU-27, that is more than 65% of employment in the sector.
- Social economy organizations have a significant impact on European economy, since on average they provide employment opportunities to 6.5% of the working population in EU-27 countries.
- In Portugal and comparable countries, the impact of social economy on total employment is well under the European average, although the sector has grown significantly in all these countries in the last ten years.
- Among comparable countries, Portugal, with more than 250,000 workers, has the largest sector, followed by Austria and Denmark.
- On average, social economy organizations in Portugal employ 5.2 paid workers per organization, slightly over the EU-27.
- In Portugal, the sector of social services is the sector that relies the most on the contributions of volunteers.
- While in Scandinavian countries volunteers represent a significant percentage of the national GDP – which is consistent with the heritage of civil engagement in these countries – in South European countries like Italy and Portugal, and in many eastern countries (like the Czech Republic and Hungary), the value of volunteering is below 1% of the GDP.
- Associations play a dominant role in all European countries, particularly the UK and Germany (where they represent more than 90% of the population), with the significant exception of Italy, where cooperatives represent almost 70% of the population of third sector organizations.

SECTION 6**CONCLUSIONS, SWOT ANALYSIS AND RECOMMENDATIONS**

The following SWOT analysis is based on the data collected in the extensive survey conducted with 153 NGOs and in the online survey with Human Rights NGOs, as well as on the information obtained for the case studies that were undertaken. The samples used, deliberately small to ensure the feasibility of the data collection and which would create the basis for an analysis intended to be thorough and comprehensive in thematic areas, do not allow any extrapolation of the analyzed material to the NGO sector. However, they do provide many possible routes for what might be found in the real-life context of the organizations that operate in it. Strengths and weaknesses are the result of the internal analysis of the NGOs studied; threats and opportunities are the result of the analysis of the surrounding environment as expressed by the examined NGOs and complemented by the research team.

SWOT ANALYSIS – STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

STRENGTHS

1. Social Bodies

- Participatory management models: some NGOs refer to management models that promote the interaction between the different social bodies and between the latter and all the members of the organization as positive inasmuch as they strengthen the bonds between people.
- Articulation between the Board and the executive director: as reported by some organizations, a good articulation between the executive director and the Board is considered crucial for the success of NGOs. The presence of executive members in the Board, regular meetings between the Board and teams working on the ground, the existence of an intermediary (secretary general) who is a bridge between the Board and the day-to-day operations of the organization and the executive director are some examples of practices identified as likely to encourage the smooth flow of information (both top-down and bottom-up).
- Decision-making autonomy of the executive director and executive team: the medium-high decision-making autonomy of the executive director, shown by NGOs, may be a strength, even though it depends on this managers' competences and on the capacity of the Board to play its role properly as an organ of governance.
- Unpaid Board members: unpaid Board members facilitate independent decision-making, although the fact that they are not paid to perform their role may also lead to the assumption that it will be hard to ask them for greater commitment and availability. In some non-IPSS, employees are allowed to be part of the Board although they cannot form a majority upon deliberation of the organizations themselves and in line with the best international practices.
- NGOs regard the existence of an advisory board as a positive point. However, only a few report having one.

2. Management Practices

- Marketing practices: the majority of NGOs report focusing on marketing (see, however, "marketing skills" in Weaknesses). NGOs are very much aware that their success depends on the importance of dissemination, communication and raising awareness.
- Implementation of quality management systems: the majority of NGOs with IPSS status has implemented or is in the process of implementing a quality management system. Being a good sign of positive development with respect to the quality of NGOs' management, it must be treated with caution. The affirmative answer does not tell us anything about the results that have been achieved due to the certification processes.

- Strategic planning: most NGOs reported having strategic plans and the majority of those that do have them monitor and assess their implementation. These results, however, do not give any indications about the quality of the process and about its results (see “strategic management skills” in Weaknesses). Some organizations draw up their strategic plans separately from the elections to choose the members of their social bodies. This is a good practice that counters the possible tendency to change strategy every time there is a change in the Board. NGOs that do their strategic planning in a participatory way are able to encourage the involvement of all its members.
- Business plans/budgets: most NGOs develop their business plans and budgets. However, there remains the question of how these tools are effectively used to ensure an effective and efficient management of the organization.
- Member participation: in the specific case of associations, the participation of their members in decision-making processes is recognized as positive; it leads them to be further engaged in the organization, even if in larger organizations, with a more complex structure decision-making, it can prove to be less straightforward. The NGOs operating in the area of Human Rights showed greater focus on association-related activities although a great number of their members remain inactive.

3. Human Resources

3.1. Paid workers

- Identification and sense of mission: employees show a strong identification with the cause and a strong sense of mission. This engagement with the NGO is a consequence of the organizations’ own mission and of the fact that many employees used to work for the organization as volunteers or users of the services it provides.
- Investment in qualification: in the last three decades organizations have been compelled to invest in the qualification of their technical staff, particularly in the areas relating to their sector of activity. This investment in training is identified as a key area. It is, however, still insufficient both in number of NGOs and in the number of hours of training offered by each.
- Performance assessment systems: the existence of a performance assessment system in 40% of the surveyed NGOs is a good indication that the activity is being monitored in order to achieve its goals. However, only by collecting data on the design and on the processes linked to the assessment system would we be able to understand the true impact they have in the organization’s activity and in the achievement of results and in the accomplishment of their mission. This assessment is used to identify training areas even in those small NGOs where performance assessment is not relevant for career development.
- Awareness of lack of management skills: the fact that Boards are aware of which skills need to be developed within their organizations is an excellent basis for investing in their

development. In the top 10 skills that were identified as being missing, the majority has to do with marketing and fundraising (e.g. external image and communication, fundraising campaigns, management and mobilization of members); also missing are skills related to strategic management (comprising monitoring skills to assess results and impacts), and others connected to such areas as drafting of reports, identification of donors as well as funding lines and application processes to obtain European funds.

3.2. Volunteers

- Most NGOs already employ volunteers. (see, however, “Volunteers” in Weaknesses) Half of the NGOs operating in the area of Human Rights that were surveyed online did not employ paid workers, which is an indication of the significant value of volunteers.
- Challenges overcome by some NGOs (not many) in managing volunteers: Some NGOs (not many) shared some interesting experience-based knowledge regarding the management of volunteers. Although seen as strengths, the majority of these points are not yet real:
 - Training of volunteers is essential for a good volunteer experience.
 - Securing regular attendance and punctuality from volunteers is reported as important.
 - Encouraging autonomy and self-reliance among volunteers is also necessary.
 - Current and former volunteers enable to expand the network of contacts and of potential benefactors and to publicize the NGO’s activities.
 - Attracting volunteers equipped with technical and human skills and maturity is vital.

4. Funding and Allocation of Resources

- Sharing: Some institutions already share facilities (see “Sharing” in Weaknesses)
- Diversification: Growing effort on the part of NGOs to diversify their sources of funding. In NGOs operating in the area of Human Rights, the reported breakdown of funds among the three main sources (public, private and own funds) was balanced, in contrast to the survey conducted with 153 NGOs, where public funding had a higher weight, followed by own funds and private donations, which accounted only for a small share of funding. There is, however, a growing perception of the need to invest in the diversification of sources of funding.
- European funding: growing focus of some NGOs on obtaining European funding, although evidence shows that this is mainly achieved through programs managed by Portugal.
- Own revenues: growing perception of the potential for increased own revenues by turning the vast know-how accumulated in their areas of activity into profitable services. In some cases, this perception arises from the lack of alternative sources of funding, while in others it comes from the opportunities created by social innovation and social entrepreneurship.

- Business pro bono: pro bono services provided by businesses (legal services, financial services, market research, marketing and communication, etc.) may play an important role in the NGO sustainability, as found in this study.
- Donor loyalty: the loyalty of benefactors must be maintained through a close relationship. Transparency in the presentation of accounts and in the reporting of the results of the work undertaken by organizations is a key element in securing donor loyalty. This is an area which few NGOs are experienced with.
- International funds: growing investment in raising funds in foreign countries (especially in the cases of NGOs with an international activity).
- Rigor: growing awareness of the importance of rigor in financial management, made clear by financially weak situations brought to light in recent years due to their seriousness and because transparency of accounts is becoming increasingly crucial to obtaining funding among potential donors.

5. Relationships with partners

- Networks and partnerships: networks and partnerships are essential to fostering mutual learning, exchanging experiences and best practices and the cooperation with public bodies and with civil society. Most NGOs is involved in at least one partnership and one network.
- Partnerships: growing realization that partnerships help to strengthen responses and services, share resources and achieve synergies. NGOs have been investing in business partnerships and have been trying to establish close relationships with municipalities and local government.

WEAKNESSES

1. Social Bodies

- Succession of “leaderships”: although not as relevant as might have been anticipated, aspects like the age of NGO leaders, the time they remain in their posts and their investment in the training of possible (younger) successors remain points of attention. The great difficulty in finding people who are motivated and willing to perform management roles was also mentioned.
- Advisory body: the majority of organizations do not have an advisory board, which represents a missed opportunity for acquiring additional knowledge, networking and possible access to additional resources.
- Some statutory Boards still accumulate many duties thanks to certain informality or to unprofessional NGO management or to lack of knowledge on the differences between their governance duties and the management tasks that they must delegate to the executive director. In fact, many NGOs struggle with their leaders’ inability or difficulty in under-

standing the difference between governance and management. They mix one with the other in practice and this leads to mismanagement, misuse of powers, inefficiency and inefficacy, etc. etc.

- Members of the General Meeting and of the Audit Committee are still not very proactive and they play merely formal roles.

2. Management Practices

- Strategic planning: in some cases Boards, which are responsible for setting the organization's strategic outlines for action, are not actively involved or have a minor involvement in the definition of the strategic plans, which are developed and implemented by the executive director/team.
- Articulation between Strategy / Operations: the connection between strategic and annual plans appears to be questionable. Annual plans are often developed without including extended and long-term guidelines for the organization.
- Private donors: organizations have little experience in raising funds among private individuals and struggle with precarious levels of organization and structuring.
- Online presence: Although many organizations have their own websites and are registered in different social networks, they are often out of date and focus little on attracting people interested in cooperating, either economically or as volunteers.
- Presentation of accounts: lack of appropriate mechanisms for presenting accounts to society as a whole and to members and collaborators. Especially for donors, the presentation of accounts should include economical data explaining how donations were used by the organization or in its activities, results and impacts.
- Marketing skills: the fact that these were identified as one of the skills to be developed points to the existence of little or no marketing skills. This severely curtails the effectiveness of their performance in fundraising, among other things (including winning over new members, for instance). Furthermore, a small number of NGOs reports having a strategic document for this area (see "marketing" in Strengths)
- Strategic management skills: in addition to showing that many organizations are still below what they have planned in this area, the alleged need for strategic management skills can be an indication that in some NGOs strategic planning might still be at an early stage.
- Codes of conduct: The number of organizations with codes of conduct on organizational practices or that have subscribed to the codes of the networks, confederations, platforms that they belong to is still insufficient.
- Local intervention vs. Global Perspective?: intervention of NGOs is mainly at local level (which is not a weakness in itself) and not balanced by an appropriate global perspective on sources of funding for instance. NGOs are not aware of and/or do not have the skills to obtain some of the funds that are available abroad.

3. Human Resources

3.1. Paid workers

- Many NGOs have an insufficient number of employees.
- Recruitment: Difficulty in finding qualified employees mostly in the fields of management and marketing. Recruitment processes are still very little structured and often lack large-scale publicizing.
- Burnout risk due to the accumulation of responsibilities, weariness or to the psychological demands imposed by the work developed at all levels of the hierarchy.
- Wages: employees are paid low wages (although organizations believe that changing this reality goes beyond their control). Organizations have inadequate financial means to employ human resources that can work exclusively in such areas as external communication or fundraising. There is still little awareness for the need to include these areas in the organizational chart and to hire people to perform these roles on an exclusive basis.

3.2. Volunteers

- Number of volunteers: Although most of the surveyed organizations employ volunteers, they tend to be few in number in each organization. Some of them report not needing volunteers or that the organization does not appeal to volunteers (answers to the question on the reasons for not employing volunteers). The comparably low number of answers regarding occasional volunteers (compared to regular volunteers) may be a sign of lack of knowledge of the distinction between the two types or of the inability to recognize the value of one-off volunteers if all the processes that are related to them are well managed (from attracting people to the organization to managing them within it). The number of volunteers has decreased (due to the economic crisis, for instance). There has also been a decrease in the quality of younger volunteers who lack maturity and do not have a multidisciplinary perspective.
- Skills for managing volunteers: NGOs need to develop skills to manage volunteers. It is not clear whether the bad experiences reported by some organizations as having to do with volunteers are not a consequence of these weaknesses in management.
- Structuring the area: in many organizations this area is not structured both at the level of attracting, recruiting, welcoming and training volunteers and with regard to monitoring, assessing and recognizing their work.

4. Funding and Allocation of Resources

- Diversity of sources: low diversity of sources of funding.
- Precarious financial situation of some NGOs.
- Member participation: the number of members is reduced and many are not actually active (e.g. membership fees not up to date). Most of the surveyed NGOs states that the

number of members will increase. That growth potential does exist in NGOs in general if we look at what is happening in other countries. (see, however, “marketing skills” in Weaknesses)

- Skills for preparing project applications, particularly international projects: elected as one of the skills that NGOs lack and on which they wish to focus on. A good part of the Portuguese organizations ignores to which international organizations they can submit requests and applications. Lack of experience in obtaining funds from international foundations. Poor skills on writing proposals or applications in a foreign language.
- Sharing: very few institutions report sharing vehicles.
- Public funds: NGOs perceive that there will be a decrease in public funding. Some of them depend largely on public funding.
- Private donations: NGOs recognize their lack of knowledge on the private donors’ market.
- Financing per project: NGOs identify a few problems related to the financing of projects that render their work on the ground dependent on a set of priorities that may not coincide with their own. Some organizations find the whole application process difficult and expensive (in terms of time and resources). NGOs that use financing per project say it is more one-off and irregular.
- Cash holdings: cash management can be a constant challenge as a result of its irregularity and of the unpredictability of cash inflows.
- Users: In some NGOs, the number of users who cannot afford to pay their contributions has increased.
- Agreements: Some NGOs experience difficulties in revising their agreement with Social Security.

5. Relationships with partners

- Ineffectiveness: the inoperability of some networks, local and national. Existence of merely formal partnerships, on paper. Difficulty in dealing with protagonism and in managing personal relationships.
- Funding public bodies: Difficulty in establishing a dialogue on a more horizontal basis with financial national public bodies.
- Few international partnerships.
- Businesses: Difficulty in interacting with the business world from a mutually beneficial perspective.

OPPORTUNITIES

- Federations: Growing skills of federations to exert influence at government level, especially in the social area.

- Africa: economic growth in Africa (for NGOs that operate or may come to operate in the region).
- The sector in Europe: European legislation on the sector legitimizing it and setting up new international regulations is also an opportunity for Portuguese NGOs to assert themselves.
- Partnerships and international networks: increased professionalization of NGOs at international level, growing needs of populations and funds available that require cooperation work, create opportunities for partnerships and integration in international networks for Portuguese NGOs. New communication technologies encourage the development and the extension of these relationships with less and less financial and time costs.
- European funds available for social innovation and social entrepreneurship.
- Society: Increased awareness of society for social problems.
- Businesses: New forms of funding by businesses. Social transformation is not exclusive to the NGOs' sector or to the public sector. The concept of corporate social responsibility has been taking shape since the 1990s and has called the attention of the corporate world not only to economic and environmental impacts but also to social impacts. The financial crisis, however, has slowed down or even stopped some of the advances achieved.
- Private donors: restricted exploitation of the ability to give of individuals (private donors), compared to that of other countries points out to an unexplored potential in Portugal.
- Job market and personal achievement: growing search for jobs in firms/organizations that in addition to being a job are sources of personal achievement is an opportunity for the best NGOs to attract young talents with a qualification in management and economics who are not interested in pursuing a career in a company.
- Growing investment of women in a professional career combined with their promotion to leadership and decision-making positions in different quarters herald the possibility that this might also be a reality within NGOs, which would partially mitigate the problem of the succession of directing bodies.
- Growing awareness of society for the need to contribute in some way – donations, time – and within the most varied age groups.
- New and growing needs felt in society constitute excellent opportunities for the emergence of new NGOs or for the reconversion of existing NGOs whose mission has become irrelevant (e.g. childhood threatened by decreasing birth rates may be “replaced” by care services to the elderly).
- Advances in communication technologies makes it possible to have access to best practices and to new ideas that are being developed anywhere in the world. “Very often it’s not necessary to invent the wheel, you only need to adjust.”
- New financial instruments, some of which are currently being tested in some parts of the globe, are excellent funding opportunities for the sector (e.g. Impact bonds), to which NGOs and society as a whole must pay particular attention and reply to.

- Longer life expectancy means a huge potential of volunteers with more or less advanced ages that NGOs should learn to attract and welcome in their organizations. It must not be forgotten that they will probably need to adjust opportunities to work as a volunteer to the different age groups and to their inherent skills.

THREATS

- Growing demands of users and higher complexity of problems (can be an opportunity for more competent organizations).
- Slow pace of economic recovery: may lead to a decrease in public and private support. It may also make it more difficult to attract volunteers, who cannot afford to take risks in the job market. Also, it can harm the achievement of results of the work developed by NGOs, particularly market-oriented projects capable of generating their own incomes.
- Greater competition between NGOs to access funds.
- Tendency for the national public funding agenda to continue to prefer welfare and assistance projects.
- Tendency to give preferential treatment to big projects (led by big NGOs), leaving out the smaller-sized organizations.
- Federations: except for the social sub-sector and for NGOs that operate in the area of cooperation and development, all the other sub-sectors show no clear signs of developing federations with a capacity to exert influence.
- Legislation: frequent changes in legislation make it difficult to define long-term strategies related to NGOs' sustainability. Lack of adjustment of sector's legislation to reality with subtle signs of change at this level (recent changes in the Statute of IPSSs).
- Foreign competition: the fact that NGOs too are beginning to operate more and more at an international level may intensify foreign competition for national funds, namely from the few but big national foundations and from the largest companies and corporate groups.

RECOMMENDATIONS

Based on the data collected, on the SWOT analysis undertaken and on reflection based on experience, the following recommendations are made:

1. Training of executives and employees

Several findings in this study show the resilience of NGOs when faced with the chronic problem of funding the production of public goods, which was intensified in recent years by the economic crisis:

- in the vast majority of the surveyed NGOs, employment has leveled out or even increased until now;
- efforts to increase own resources have intensified;
- significant progresses in the training of employees, especially unskilled workers, have been made;
- quality management and performance assessment systems were implemented.

Despite these developments there is still a lot to be done with respect to the **training** not only of employees but also of the members of the Boards.

a. Action Learning

The experience with various training programs directed at these organizations over recent years has shown that **action learning** programs based in **participated** diagnosis of training needs is the most appropriate way to promote training that leads to effective improvements in the performance of organizations. In this way, needs are better identified, the response provided to them is better and processes of participatory management that are very important to the development of these organizations, often blocked by extreme longevity of their board members, are fostered.

In fact, the successful achievement of NGOs mission is highly dependent on the active and participative involvement of all those involved in the life of the institution (Board, executive director, paid workers, volunteers, beneficiaries and their families). It seems essential to implement methodologies that encourage participation and proximity between all the elements within the organization irrespective of the more or less informal management strategies it adopts. And action learning has proven to be an effective means of achieving this goal.

If training programs are well designed and comprise moments when employees and directors of various similar organizations can engage they can also be a ground for **partnerships and networking** between those organizations, as recent experience has shown.

The development of networking and partnerships is crucial for sharing best practices (domestic or European), for promoting synergies, for optimizing complementarities and for sharing resources, for broadening experience and knowledge in the field and for improving service quality. This is one of the dimensions where NGOs can focus the most to streamline costs and increase the effectiveness of their work.

Some **training areas** are unavoidable because they are essential to these organizations and are recognized as such by the majority of the surveyed organizations: in management and strategic planning and in marketing and communication.

It is essential to promote appropriate training for the sector on **management and on strategic and operational** practices and instruments that can be used by organizations. Besides the relevance of understanding the principles of vision-oriented and mission-oriented stra-

tegic management, on which strategic planning should be based, the most important thing is to adopt within NGOs a strategic attitude of constant detailed perusal of the environment together with the consequent optimization of opportunities and protection against threats in a constant endeavour to improve strengths and overcome weaknesses within organizations. This area of training is as relevant for Board members as it is for executive team members and operational staff.

The promotion of NGOs' image, its dissemination and recognition by the community may have a positive impact on fundraising and on their sustainability. However, even though organizations are aware of how important they are and thinking of other pressing needs in NGOs' day-to-day life, **marketing and communication** is one of the areas where investment and development are most needed. Once again, this area of training is as relevant for Board members as it is for executive management members and operational staff.

b. How to articulate Governance with Management and the Renewing of social bodies

The promotion of the best possible articulation between the Board and the executive manager/team is another area where the NGO sector should invest. To this end, there should be **more training on governance** particularly directed at the social bodies. Because once they clearly understand the role that they are supposed to play, articulating with executive managers or operational staff will be easier, the latter having therefore understood more clearly their roles and responsibilities.

Communicating and articulating with the Board, the executive team and teams operating on the ground is fundamental. Here are a few examples of practices that were identified in the case studies as practices that can foster this communication (both top-down and bottom-up):

- Incorporation of executive members in the Board;
- Regular meetings between the Board and the teams operating on the ground;
- Existence of an intermediary (e.g. secretary general) who is a bridge between the Board and the day-to-day operations of the organization;
- An executive team where all the different key departments in the organization are represented;
- Allocation of different "areas of responsibility" to members of the Board is often referred as an effective way to organize and distribute responsibilities to the Board.

The **renewing of social bodies** is a governance-related issue which is already a concern for some NGOs. At this level, the need for a nationwide investment via platforms or federations that promote the call for public service and their fulfillment within NGOs among young people is seen as more effective.

2. Promoting the implementation of quality certification processes

Although demanding, these processes are identified as important factors for service quality and for differentiation from competitors. In order to extend its implementation to more organizations and more services within the organizations it is necessary to promote capacity-building strategies within NGOs that operate in this sector of activity, both regarding the acquisition of those skills and the necessary resources to carry out this process.

3. Adjustment of public policies to the definition of integrated strategies for each area (e.g. cooperation, homeless people, disability)

Different NGOs operating in different sectors of activity refer in the case studies that public policies tend to look like a set of piecemeal measures with a political agenda that is not always in line with the needs on the ground. It is essential to define appropriate public policies and integrated legislative frameworks developed with the active participation of those who work on the ground.

Additionally, it is essential to increase articulation between the police, criminal justice, healthcare, social security and education systems, because the appropriate, quick and effective working of these systems is vital for the organizations' good work.

Equally important, the agenda of publicly-funded projects must be coherent, consistent and meet the specific needs on the ground. An agenda that focuses mainly on large-scale projects that do not always contribute to building real capacities in beneficiaries and communities and leave out small-size NGOs must be avoided.

4. Funding

a. Diversification of sources of funding

Unsurprisingly, this study shows that there is a clear unanimity among NGOs regarding what they see as their main problem: difficulty in obtaining funding.

The definition of policies that ensure the stability of public funding is as fundamental as the investment in the diversification of income sources:

- It is necessary to invest in the training and development of skills regarding the application procedures for public funding (domestic and European) without jeopardizing or biasing the NGOs strategic objectives;
- Investment in the training and development of fundraising skills with private donors (in Portugal and abroad) and building partnerships with businesses. Pro bono services by the business sector can be an effective way to increase the engagement of the business world within the corporate social responsibility scope. The highest volume potential, however, really appears to be on the side of private individual donors;

- Promotion of member participation and involvement, specifically as payment of membership fees and the spreading of the NGO's image within the community and the winning over of new members are concerned;
- Optimization of the own-funds potential by setting up social businesses. Several NGOs have committed to invest in this in the near future although the majority is still debating and pondering it.

b. Contractualisation of public funding

Due to the nature of public good of the work produced by NGOs, public funding should be an essential resource to ensure their economic sustainability without prejudice to continued efforts to complement it with their own resources and private donations (from individuals and businesses).

In the case of IPSSs (social welfare entities) a scheme of public funding ("cooperation agreement") of these organizations has been introduced which is periodically negotiated with the agencies that represent them and whose implementation is jointly monitored by the parties involved.

This scheme has been instrumental to the economic sustainability of these organizations and has not undermined their efforts to mobilize the contributions made by their users and private donors.

An important point in this scheme is the fact that it turns public funding into something **predictable** which IPSSs can rely on.

There is no scheme of the same kind for the remaining NGOs. It's not that they cannot rely on public funding. They have been using it and they are even more dependant on it than IPSSs. The difference here is that because there is no scheme of public funding as the one applied to IPSSs, these NGOs depend on the existence of funding programs that they can apply to. Moreover, these programs have eligibility criteria, calendars and implementation procedures that often do not conform to what is more relevant for their development and burden them with transaction costs that do not help them to achieve sustainability.

Therefore, consideration should be given to extending the negotiated and monitored scheme of public funding to more NGO families and not only to IPSSs.

It is not a question of claiming more public funding but rather of improving the way this funding is managed.

The idea here is not to defend that nearly all or even that most NGO expenditure should be financed by public funding. It is simply a question of ensuring that NGOs can rely on predictable, contractual and monitored public funding to face a relevant part of their expenditure. This is funding that they have every right to be provided once they fulfill their task as providers of public goods that are essential to the Common Good.

5. Enhancing the role of high-level organizations (E.g. federation, confederation)

These structures enable to bring together with a single voice the various NGOs that operate in a certain sector of activity rendering them more powerful with other civil society organizations and State structures. These associations may play a crucial role when policies in the sector and in the different areas where they operate are defined.

6. Promoting the participation and organization of civil society

In an increasingly global, difficult, dynamic, complex and demanding context, it is essential for the community as a whole to become more and more aware of social problems and that democracy is not confined to political parties or similar organizations.

7. Developing data for improving knowledge of the sector

The present study has made significant contributions to producing new and necessary data on the size and composition of the NGOs' sector. However, as mentioned earlier, it is still not possible to use them just as they are at this stage to describe the sector economically (paid employment, voluntary work, GAV, etc.).

This is an achievable task based on the work done here if, in the wake of this study, there are people willing to continue to invest in improving knowledge of this sector.

