

**UNIVERZITA KARLOVA V PRAZE**

Fakulta sociálních věd

Institut ekonomických studií

**BAKALÁŘSKÁ PRÁCE**

The Czech and Italian Non-profit Sector:  
Different and Therefore Uncomparable Systems

Vedoucí bakalářské práce: PhDr. Jiří Kameníček CSc.

Vypracovala: Petra Novotná

Akademický rok: 2009/2010

## **Prohlášení**

1. Prohlašuji, že jsem předkládanou práci zpracovala samostatně a použila jen uvedené prameny a literaturu.
2. Souhlasím s tím, aby práce byla zpřístupněna veřejnosti pro účely výzkumu a studia.

V Praze dne 21.5. 2010

Petra Novotná

## **Anotace**

Bakalářská práce Český a italský neziskový sektor: odlišné a tudíž nesrovnatelné systémy, nabízí přehled fungování neziskových organizací v České republice a v Itálii. Hlavní část práce je rozdělena do dvou oddílů a každé zemi je věnována samostatná část. V úvodu je vždy shrnut historický vývoj a události, které nejvíce ovlivnily pozdější rozvoj neziskového sektoru. Dále jsou představeny typy a formy neziskových organizací, některé právní úpravy a další základní informace. V analytické části jsem věnovala pozornost různým aspektům týkajícím se aktuálních témat v jednotlivých sektorech, zejména novým možnostem plynoucím ze vstupu České republiky do EU, nebo bližší představení hlavních typů italských neziskových organizací. Součástí této sekce je také všeobecný přehled naznačující vztah místních ekonomik k jejich neziskovým sektorům. V závěru každého oddílu je prezentována jedna vybraná česká a jedna italská nezisková organizace. Práci jsem zakončila netradičním závěrem, který vysvětluje nemožnost modelového, tj. změřitelného srovnání zmíněných sektorů v Itálii a v ČR.

## **Annotation**

Bachelor thesis Czech and Italian Non-profit sector: Different and Therefore Uncomparable Systems offers an overview of the functioning of non-profit organizations in the Czech Republic and Italy. The main part is divided into two sections so each country is given a separate section. In the beginning is always summarized a historical development and events that most influenced the later development of the non-profit sector. Next there are introduced types and forms of non-profit organizations, some of legislation arrangements and other basic information. In the analytical part I paid attention to various aspects of current affairs in particular sectors, i.e. new opportunities arising from the Czech accession to the EU or closer introduction of the main types of Italian non-profit organizations. Part of this section is also a general overview suggesting a relationship of local economies to their non-profit sectors. Finally, there is presented one selected Czech and Italian non-profit organization. I concluded my work with an unusual ending which explains the inability to compare the above mentioned sectors.

## **Klíčová slova**

nezisková organizace, třetí sektor, financování, fondy EU, výroční zprávy

## **Keywords**

non-profit organization, third sector, financing, EU funds, annual reports

## Content

1	The Czech Non-profit Sector : in theory.....	7
1.1	History of the Czech Non-Profit Sector .....	7
1.2	General Terminology.....	9
1.2.1	Types of Non-Profit Organizations .....	10
1.2.2	Forms of Non-Profit Organizations .....	11
1.3	Financing of NGOs.....	12
2	The Czech Non-profit Sector : in practice .....	17
2.1	EU Funds and the Czech NGOs .....	18
2.2	NGOs and Support Coming from the State.....	22
2.3	Problems with Financing.....	24
2.4	Economic Performance .....	24
2.5	NGO Relations to the Economy (the Czech Statistical Office) .....	25
2.6	NGOs and Annual Reporting .....	31
2.6.1	DĚTSKÉ KRIZOVÉ CENTRUM, o.s. (DKC).....	32
3	The Italian Non-profit Sector : in theory.....	38
3.1	Historical Process .....	39
3.1.1	Law Progress After the Year 1990.....	43
3.2	Problems with Definition .....	45
3.3	Categories of NPOs .....	48
3.4	Common NPO Types .....	49
3.5	Financial Support of NPOs.....	52
4	The Italian Non-profit Sector : in practice .....	54
4.1	Statistics by ISTAT .....	54
4.1.1	Foundations (2005) .....	55
4.1.2	Social co-operatives (2005).....	58
4.1.3	Voluntary organizations (2003) .....	61
4.2	Economic Performance According to Statistical Figures - EUROSTAT .....	63
4.3	Annual Reporting in Italy .....	66
4.3.1	Fondazione ABIO Italia Onlus.....	67
5	Atypical Conclusion.....	73
	Appendix .....	78
	Resources .....	88

## **Introduction**

In contemporary, highly developed and globalized world, we can just hardly imagine that any need of an individual cannot be satisfied. General idea of the people is that the state (governmental institutions) and the business sector are the only intermediators that can supply all the necessary and demanded goods and services. However it is not fully truth. There are areas in the markets that can not be wholly covered by the interest of the state or profit sectors because of many reasons. We will briefly discuss them later.

On the other hand, despite the fact that many market participants consider only the two actors mentioned above, there are many others realizing the great importance of so called third (non-profit) sector. Consumers feel its significance mainly when they get into unusual or not frequentative (social) situations. From the economic point of view it has become highly discussed topic. Economists care about the non-profit sector and it is understood that this part of economics is very important and deserves closer attention.

In the first part of my work I would like to discuss the situation concerning non-profit sector in the Czech Republic. We will touch its historical development, creation, present state and also some innovations in connection with the EU. After becoming the member of the EU the funding and founding conditions have changed. In any case it would be appropriate to show some example of Czech non-profit organization.

However due to the different needs, historical backgrounds and governmental arrangements in each state the non-profit sectors are not identical, quite the contrary. Individual states have different composition of population, they give preference to divers social needs and care and they also have unequal legal organization.

Because of this reason, in the second part of my thesis I will try to present the situation of non-profit sector in another EU member state - Italy. I spent there a few months and even after such a short period of time noticeable differences could have been seen. Unfortunately the availability of Italian data is not high and hence I am not sure yet what kind of information it will be possible to process. In any case I would like to provide some example of Italian non-profit organization as well.

Next section was initially planned to deal with certain comparison between non-profit sectors in both countries. I intended to base it on analysis of processed data. However, obtained results did not allow me to do so (it will be explained why) and thus I concluded my work with an untypical ending.

# 1 The Czech Non-profit Sector : in theory

## 1.1 History of the Czech Non-Profit Sector<sup>1</sup>

If we look at non-profit sector in general terms its history reaches into the times of the emergence of the state systemization itself. There have always been tries to create some civil associations mainly because of people's needs to differ from a central state power. The first most probable existence of a civil group was a community.<sup>2</sup>

When talking about social care and social activities in the Czech lands the situation in the past centuries was somewhat different in comparison to present state, of course. As the state attention in social areas was too low, relatives, neighbourhood and later on also religious charities or associations were the most important and supportive. Here we can mention probably the oldest community from the 15th century - Chevra Kadisha (an organization of Jewish men and women).

In the following centuries there was a high rise in such foundations. They were responsible, among others, for medical care, education and were providing a shelter and help for those who needed it. Around the 18th century first administration of such activities appeared. There exist records informing about so called hospital foundations (Špitální nadace). It is known that they were for sick or indigent people who were given food, clothes and general care. One of the founders of such a place was Count František Antonín Šporck<sup>3</sup> who was famous for his patronage. He decided to build up a spectacular spa with a castle called Kuks.<sup>4</sup> The locals enjoyed flourishing cultural and religious life. This society and others much alike could have existed till present days if it were not for the foreign nations or communities that fought against any religious inclination (e.g. the Communists). In other

---

<sup>1</sup> Processed from : Šilhánová, H., et al. (1995); Socially-oriented non-profit organizations in the Czech Republic. Civil Society Development Foundation, Prague, p. 6-9

<sup>2</sup> Škarabelová, S. a kol. (2002); Když se řekne nezisková organizace ... Masarykova Univerzita v Brně, Brno, p. 13-16

<sup>3</sup> 9.3. 1662 – 30.3. 1738

<sup>4</sup> Built between 1692-1695, in 1896 burned down and its ruins were pulled down in 1901 (source: [www.pametihodnosti.cz](http://www.pametihodnosti.cz)).

countries this phenomenon did not occur and thus foundations and associations (of their kind) were free to thrive.

In the history there were moments when the Czechs needed to hold together. Those periods occurred mainly in times when the Czech national feeling was repressed. Therefore many various groups were about to emerge in order to support a general patriotism and national culture. We can name at least two of them such as the Association for the Establishment of the National Theatre and the Hlávková Foundation. As time went on the orientation of emerging clubs and associations was enlarging. People started being interested in sports, political, artistic and many other activities. The biggest boom in founding of non-profit organizations as such appeared after 1867 when the Imperial Law on Associations set basic legal rules.

After 1918, when the independent democratic Czechoslovak Republic was founded, establishment of new associations continued and they were gradually flourishing. There were arising a lot of new foundations whose orientation was stretching into various areas. The state became more interested in legal administration and social affairs. It enabled the existence of new forms and organization arrangements of non-profit organizations.

Unfortunately, during the war period (1938 - 1942) previous progress was repressed. Because of forcible compulsion of the Nazis the functioning of any non-profit organization was checked or blocked. In the following years, after the end of the war and occupation, a recovery period took place.

However in 1948 another interruption of Czech independency came up. All nongovernmental organizations were replaced by governmental ones and were led by the Communist Party. Non-profit organizations had to become a part of the National Front which was controlled by the Communist board. Even during this period there appeared some groups of citizens trying to assert civil rights and freedoms. Naturally, those groups were pursued by the Communists. Nevertheless they were not fully successful in their elimination. As the most known civil association was the Charter 77 that emerged in 1977. Increasingly, the association started to split into separate groups that were focusing on different areas. These groups were maintaining their political views and in 1989 helped to remove the Communist Party and to change political system.



In subsequent years there was enough place for expansion of new associations and organizations. They could have been engaged in all possible activities that were neglected or ignored till that time. On the other hand everyone had to adapt to the new market environment which was profit-oriented since then. And it was unusual and uneasy condition especially for non-profit organizations.

## 1.2 General Terminology<sup>5</sup>

Now we should have a closer look at what we will mean by the term „non-profit organization/sector“ (sometimes we can come across the term not-for-profit organization which indicates the same entity).

Today's developed society is based on freedoms - freedom of opinion, speech, grouping etc. It means that people can form various groups (within fixed legal bounds) concerned with different interests. A possibility to participate in such groups gives people feeling that they are part of the society. However there are many divers social organizations all around the world and thus it is difficult to specify unanimous definition of „non-profit sector“. There exist also other nomenclatures such as „third sector“, „non-governmental sector“. Our interest will be oriented on an economic determination and thus we can understand it as: „the space between the state and the profit sector“<sup>6</sup>.

It may be appropriate to mention one another definition which is probably the most widespread and used. It was defined by L.M. Salamon<sup>7</sup> and as he states, non-profit organizations (that are forming non-profit sector) are characterised as follows. They are:

1. organized: it means that they have some institutional structure, even if an organization exist in a country without any legal regulations (no matter if they are legally or formally recorded)

---

<sup>5</sup> Processed from Šilhánová, H., et al. (1996): Basic Information about the Non-Profit Sector in the Czech Republic. Civil Society Development Foundation, second edition, p. 5-9

<sup>6</sup> Šilhánová (1996), p. 5

<sup>7</sup> Salamon, L. M., Anheier, H. K. (1997): Defining the nonprofit sector: A cross-national analysis. Manchester University Press, New York

2. private: so they are institutionally separated from the state administration and they are not managed by any body that would be headed by state officials. However it does not mean that they cannot be significantly supported by the state or that they cannot have any state representative in management. The important statement here is that the basic structure is essentially private.
3. not profit distributing: in other words, the profit is not divided among the proprietors or the management of non-profit organization. If the organization makes any profit it must be used for original purposes of the organization.
4. self-governing and autonomous: they are able to run their own activities while using their own procedures and structures. It also means that they are not governed from outside of the organization.
5. voluntary: they are using a voluntary participation in their activities. Voluntary aspects can be expressed by unpaid performance for the organization or by any form of donation or participation in the board of administration.

### **1.2.1 Types of Non-Profit Organizations<sup>8</sup>**

Now, let me just briefly distinguish basic classification of non-profit organizations. This classification is also used by the Government Council for Non-Governmental Non-Profit Organisations of the Czech Republic. We will mention two types of organizations:

#### **A) governmental (state, public) non-profit organizations**

- Their main aim is to participate in providing public administration. We can consider different levels of such organizational bodies - state, regional or municipal. With respect to the definition mentioned above, one of their characteristics is that they are not founded for the purpose of making profit. Thus they are somewhat similar to the second type.

---

<sup>8</sup> Processed from: Škarabelová (2002), p. 7-10

B) non-governmental (civil, private) non-profit organizations (NGOs)

- They are based on self-governing principles. NGOs are different associations of citizens that are co-operating and participating in public affairs. In the Czech Republic we mostly consider these forms: civil associations, foundations and endowment funds, public benefit corporations, church and religious societies and their dependent associations.

### **1.2.2 Forms of Non-Profit Organizations<sup>9</sup>**

Here I would like to clarify the forms of NGOs in particular in order to understand their organization and main features<sup>10, 11</sup>.

#### **1. Civil (Civic) Association (Občanské sdružení)**

- The main characteristic is that these associations are founded on the basis of public decision and the prime aim is a realization of common interest. No state or governmental interest is taken into account. It is not even possible that any civil association has anything in common with political parties, church societies or business activities focused on making a profit.

#### **2. Foundation (Nadace)**

- Association of property that is collected in order to reach publicly beneficial aim. By this aim we think, above all, development of intellectual property, human rights protection, protection of environment, cultural sights and traditions, development of science, education, physical education and sport. Contributions are provided from yields of the foundation's property and from other assets.

---

<sup>9</sup> Škarabelová (2002), p. 19-29 and <http://neziskovky.cz/cz/fakta/neziskovy-sektor-v-cr/typy/>

<sup>10</sup>We are going to consider organizations which have a formal character. Besides, there are also non-profit organizations which are informal, i.e. are not registered in the register (only obtained activity permission according to Act No 105/1990 Coll. or have a trade licence). However, this group exist in small numbers and thus we can neglect it.

<sup>11</sup>Legislative arrangements are summarized in [http://www.e-cvns.cz/soubory/3Prehled\\_legislativy-2009.pdf](http://www.e-cvns.cz/soubory/3Prehled_legislativy-2009.pdf).

### 3. Endowment Fund (Nadační fond)<sup>12</sup>

- Association of property that is collected in order to reach publicly beneficial aim. This fund however does not dispose of foundation property and thus whole assets of association can be used.

### 4. Public Benefit Corporation (Organization) - PBC (Obecně prospěšná společnost)

- It is an association that provides publicly beneficial services to everyone under the same conditions. The profit cannot be distributed among founders or employees. All the profit is used for financing of further corporation's activities. Moreover this form of NGO is allowed to practise complementary activities in order to improve offering its services. However the main aim must not be endangered or weakened by these activities.<sup>13</sup>

### 5. Church and religious society (Církevní a náboženská organizace)

- They are administered according to Act No 3/2002 Coll. We consider them as religious institutions of persons professing the church or religious society. As amended by the Act: „it is a voluntary association of individuals with its own structure, bodies, internal regulations, religious ceremonies and demonstration of faith, founded for the purpose of professing a certain religious belief, either publicly or privately,...“.<sup>14</sup>

## 1.3 Financing of NGOs

Intuitively one of the resources of NGO's finance can be the income coming from organization's own activity. However there are many types of associations that can not make any profit on their own. Luckily, some other ways how to provide NGOs' fundraising exist. On the other hand, there is not any unified pattern according to that non-profit organizations would finance their activities. Every single organization has its own resources which are used in order to ensure unproblematic running. A fairly wide offer of fundraising possibilities has risen after the Czech Republic joined the EU. The European Union, according to its goals and main initiatives, provides funds such as the Structural or the Cohesion Fund. However even before becoming one of the member states there was a need

---

<sup>12</sup>There exist different terms possible, e.g. „endowment fund“. Anyway, in Czech we mean „nadační fond“ by that.

<sup>13</sup>Other forms of NGOs also have a possibility to engage in complementary activities however under the rule of law.

<sup>14</sup>For more information see: <http://portal.gov.cz/>, <http://neziskovky.cz/cz/fakta/neziskovy-sektor-v-cr/typy/>.

for adapting to the new environment. Hence I am also going to mention a few encouraging programmes that helped non-profit organizations, and not only them, to prepare for new economic conditions.

Even if there exist many sources of fundraising not every non-profit organization can choose whichever it wants. According to the form, type and orientation of NGO few external resources are available. Now I am going to list and briefly introduce them<sup>15</sup>:

- A) tax relief (on NGO's own activities),
- B) donations,
- C) foreign donors,
- D) tax relief for donors,
- E) sponsorship,
- F) public budgets,
- G) lotteries and consumer games
- H) foundations and endowment funds

#### Tax Relief on NGO's Own Activities

This kind of relief is provided by the state. Whether an organization is connected with any profit making activity, the state does not tax all the income earned. Of course there are limitations concerning the extent of the relief. For example in the Czech Republic the tax reduction can be provided up to 30 % of income basis or must not be higher than 1 million Czech crowns (CZK)<sup>16</sup>. However all the activities have to be taxed separately. Another advantage for non-profit organizations is that they do not have to subject their inheritance, property and gifts to taxation. And finally foundations are given a tax allowance for interest, dividends, etc. from foundation assets that are registered.

---

<sup>15</sup>Müller, J. (2000): The Economic Environment for the Civil Non-Profit Sector in the Czech Republic : Foundations and Assets. Material prepared for the Foundation Conference in June 2000, Brno, p. 8-15

<sup>16</sup><http://portal.gov.cz/wps/portal/s.155/17236?ks=1607&docid=104751> or Act No 586/1992 Coll.

## Donations

This type of financial or other support for NGOs can be generally offered by all the persons in the country. These donors are not expecting or requiring anything in return. However the frequency and the level of donations differs from country to country. The level of Czech charity is not very far-reaching however its importance has been rising in last few years<sup>17</sup>. Among potential donors can be foundations that are founded mostly for such purposes.

## Foreign Donors

In the Czech history donors from other countries have played very important role in development of the third sector. They have helped to found powerful associations that have been able to participate in the Czech non-profit sector creation. Among foreign donors we can find also governments of other countries. There exist many interstate programmes that concentrate on NGO issue. Nowadays these programmes are outlined and coordinated mainly by the EU which is becoming one of the main supporters. Because of this reason we will focus our attention on the EU involvement later on in a separate part.

## Tax Relief for Donors

When donors provide some assistance to NGOs they are given the possibility to a use tax relief. There exist some practical differences in how incomes of physical persons and legal entities are taxed (see Law No 586/1992 Coll., on income tax). In principle it is about subtracting the amount of money, being of the same value as donated sum, from the tax base. Nevertheless, it should be noted that many donors are not actually practising this kind of relief.

## Sponsorship

This type of resource, which can be offered to a NGO, is somewhat different from the others. We could use the saying „give and take“ as a characteristic principle. It is generally accepted that sponsorship means a provision of money or other resource to its receiver.

---

<sup>17</sup>See chapter 2.5.1 Dětské Krizové Centrum.

However here a sponsor expects to receive something in return. Thus sponsors focus more on organizations and associations whose activities are attracting general public. In that case sponsors can be, in return, somehow presented by sponsored NGO.

### Public Budgets<sup>18</sup>

Some forms of NGOs can be also endowed from the state or municipal budgets. Endowments are administered by Act No 218/2000 Coll. The total amounts that should be distributed are approved by the Parliament. As there is just a very little possibility of state supervision, it is difficult for the officials to decide about the proportion of endowments and subsidies provided. On the other hand, if there were not NGOs' services the state would have to provide them anyway and thus it is more effective to entrust NGOs.

In the Czech Republic a majority of NGOs is partly financed by the state and its contributions are not negligible, quite the contrary. It is one of disadvantages that are ascribed to the Czech non-profit sector. However we have to bear in mind that our economy is just 20 years after the end of the Communist era and thus we are still getting used to a „new economic organization“.

### Lotteries and Consumer Games

It is probably not well-known fact that also operators of lotteries or other similar games are counted as contributors to NGOs' resources. Needless to say that also this issue is arranged by the Czech law. Act No 202/1990 Coll. specifies all the types of lotteries and games that are involved. It defines also the percentage of proceeds that an operator is obliged to render for publicly beneficial purposes. The amounts of money that are in this way provided are significant enough. In the year 2007, for example, the sum reached more than 89 million euros<sup>19</sup>.

---

<sup>18</sup><http://www.mfcr.cz/>

<sup>19</sup>Vltavský, O. (2009): Charitativní loterie jako zdroj rozvoje činnosti NNO. Presentation for the European conference, the Ministry of Finance of the Czech Republic, available at [www.ngosustainability.eu/programme](http://www.ngosustainability.eu/programme)

## Foundations and Endowment Funds<sup>20</sup>

Contributions that are offered by foundations and funds are mainly concentrated on specific areas or topics. There exist few of them that are also offering consultative and advisory services to the Czech non-profit organizations. (The famous are NROS and Nadace VIA, for example.)<sup>21</sup> Their work was appreciated also during the preparatory and adaptive period before and after the Czech Republic became the EU member.

---

<sup>20</sup><http://nno.ecn.cz/>

<sup>21</sup><http://www.nros.cz/>, <http://www.nadacevia.cz/>



## **2 The Czech Non-profit Sector : in practice**

Leaving behind the opening and descriptive section of my work we are slowly moving to more factual and specific one. As I mentioned at the beginning I am going to endeavour to provide the actual functioning and performance of non-profit organizations.

First of all I would like to complete the overview of possible financing resources and to present EU funding. It will comprise pre-accession and presently running programmes that have been offered by the EU. Moreover, I will try to analyse the effectivity of drawing on funds (by Czech NGOs) and problems connected to it.

After that I am going to pursue the question relating to the Czech financial support. I would like to show the analysis of actual state funding of NGOs. Moreover it would be appropriate to make additionally some remarks about common financing (presented in the previous section) as there arise some problems concerning this issue.

Moreover, I would like to present an economic behaviour of individual NGO subjects. This part will be processed from papers of the Centre for Non-profit Sector Research and added to the appendix part.

Lastly, I would like to demonstrate more general concept including the non-profit sector regarding the Czech Republic as a whole. It will be shown how many NGOs actually are in our country, how much money they are spending and so on. It is going to be based on available statistical figures that have been annually gathered. They contain wide and various spectrum of data acquainting us with NGOs' contributions to the Czech economy.

For completeness I am also going to implement information and records that would afford us the survey of particular NGOs. Subsequent part is thus going to deal with chosen association which was selected, among other things, also because of satisfactory availability of its documentation.

## 2.1 EU Funds and the Czech NGOs

As I already mentioned, any external support is highly profitable and favourable. Not only from the point of view of financial help but also with respect to the integration of European concerns. In the past decades it was already decided that Europe should become more unified and should care more about its members, partners etc. As far as non-profit sector is concerned, an interconnected market with other EU countries can assist only in the profitable way. And thus some level of cooperation and common decisions with new applicants are needed even before their EU accession. The Czech Republic, together with its non-profit sector, got the opportunity to draw on the programmes used by the EU newcomers: Phare, ISPA and SAPARD. Because they are not exploited anymore we will just concisely describe them below. Apart from these, there exist so called community programmes that support specific areas of public interest such as culture or research and development. Nevertheless, after the summarization of pre-accession programmes, we will pay more attention to present and the most important sources from the EU - the Structural Funds and the Cohesion Fund.

### **Phare** (Poland and Hungary Assistance for the Restructuring of the Economy)

Despite the fact that it was originally intended for Poland and Hungary, also other countries from the Central and Eastern Europe got involved. Among others also the Czech Republic or Slovakia. The main objectives are to develop economies in particular countries and to ensure the comparable economic conditions on the markets. NGOs activities are involved in areas such as „economic and social cohesion“ or „employment and social affairs“. The Czech Republic was incorporated in 1998 and finished the realization of programmes drawn on the fund in 2006<sup>22</sup>.

---

<sup>22</sup>For more information see Appendix 1.

**ISPA** (Instrument for Structural Policies for Pre-Accession)<sup>23</sup>

This programme cares mainly about two areas and it is environment and transportation. Well-developed transport system and environment policy are the key conditions for working state. Lately, NGOs were often excluded from this sphere of activities. (Thanks to ISPA they were given the opportunity to contribute to the innovative and integration attempts and also environmental legislation was laid down.) In any case, actions of non-profit organizations are focused more on nature protection and sustainable resources than on infrastructure<sup>24</sup>.

**SAPARD** (Special accession programme for agriculture and rural development)<sup>25</sup>

As the abbreviation suggests, this pre-accession assistance for applicant countries concerns the agriculture and rural issues. The programme's objectives are to provide the assistance with introduction of Common Agriculture Policy, to deal with particular problems related to agriculture, farming and development of country regions. In this area non-profit organizations can help with renovation and revitalization plans for the rural areas and thus improve environmental conditions<sup>26</sup>.

The possible financial and advisory resources or services that were described above are not topical for the Czech Republic anymore. Thus we should move forward and present other currently proceeding EU funds that are available for the Czech non-profit sector.

Since 2004 all of the new Member States have been also granted the opportunity to use the Structural Funds and the Cohesion Fund. There was a special web site<sup>27</sup> created in order to give complete information about the EU Funds regarding the Czech Republic. As it is stated there the characteristic aspect of the EU regional policy is solidarity. In other words it concerns with economic and social cohesion and thus the sustainable development, high level of employment, protection and improvement of environment are the key ideas. Rich countries are expected to help poorer countries for the purpose of lowering disparities among the EU members.

---

<sup>23</sup>[http://ec.europa.eu/regional\\_policy/funds/ispa/ispa\\_en.htm](http://ec.europa.eu/regional_policy/funds/ispa/ispa_en.htm)

<sup>24</sup>For more information see Appendix 2.

<sup>25</sup><http://eagri.cz/public/eagri/dotace/dobihajici-a-ukoncene-dotace/sapard/>

<sup>26</sup>For more information see Appendix 3.

<sup>27</sup><http://www.strukturalni-fondy.cz/>

Each member state prepares its Operational Programmes (OPs). These are plans of intended interventions that are projected for improving and boosting a sector development. Via the OPs are followed the main objectives set for a given period. For the programme period 2000-2006<sup>28</sup> there were objectives such as development of the regions falling behind or employment and education. Till the end of 2006 there were still four separate funds : ERDF (European Regional Development Fund), ESF (European Social Fund), EAGGF (European Agricultural Guidance and Guarantee Fund), FIFG (Financial Instrument for Fisheries Guidance). Moreover the Community decided four initiatives that fought with problems of european regions. These were INTERREG III (development of foreign cooperation), URBAN II (an innovative endeavour in urban areas), LEADER+ (rural development), EQUAL (labour market discrimination problem).

In the present period 2007-2013 there remained only two from original four Structural Funds (<http://www.strukturalni-fondy.cz/> freely translated):

- ERDF - it cares about investment (infrastructure) projects, such as road and railway construction, reconstruction of cultural sights, usage of renewable resources and many others
- ESF - it supports non-investment programmes, for example, retraining of unemployed, special programmes for the disadvantaged groups (ethnical minorities, the handicapped etc.), improvement of education systems and so forth.

The other two were adjusted or transformed and included in the Common Agricultural Policy.

There exists one more fund that we have not mentioned yet and it is the Cohesion Fund (CF)<sup>29</sup>. The financial help that comes from the CF is intended for the poorer states, not regions. It serves for the infrastructure projects of the greater extent and environmental issues.

---

<sup>28</sup>See Appendix 4.

<sup>29</sup><http://www.strukturalni-fondy.cz/>

As far as the main objectives are concerned, the Czech OPs can be summarized as follows:

- Convergence objective - grants are provided for development of regions/states with the GDP/GNI per inhabitant lower than 75 %/90 % of the EU's average.
- Regional competitiveness and employment objective.
- European regional cooperation objective – international, supranational and cross-boarder cooperation.<sup>30</sup>

After introducing the European Funds I would like to outline how the financing works in the present functional period of drawing (2007-2013). The National Coordination Body - the Ministry for Regional Development (NCB-MRD)<sup>31</sup> - is responsible for fulfilment of the goals set in National Strategic Framework of the Czech Republic in 2007-2013. The NCB-MRD prepared complex analysis<sup>32</sup> containing information about NGOs' funds drawing. I will try to highlight the leading message held in the paper (where I took all figures stated below).

The NGOs are enabled to apply for a financial support from the EU Funds using the Operational Programmes (OPs). In the programme period 2007-2013 being in progress there are 19 OPs that NGOs are eligible for. Among them there are all 5 Cross-Border Cooperation OPs, 5 thematic OPs and all regional OPs. The non-profit organizations' fields of activities are e.g. competitiveness of enterprises, support of disadvantaged people, equal opportunities, education or usage of sustainable resources. In other words, these are not issues that the state or profit making enterprise would be interested in. When talking about the topic in concrete numbers the situation looks as follows: there were 1605 applications received from NGOs (it is about 4 % of all applications submitted) in total amount of approximately 17.4 milliard CZK (it is about 3 % of the whole sum). Although such figures seem to be sufficiently high, the reality is somewhat different. The projects that were approved are actually just 247 and required costs were around 2,2 milliard CZK<sup>33</sup>. One

---

<sup>30</sup>For more information see [http://ec.europa.eu/regional\\_policy/atlas2007/czech/](http://ec.europa.eu/regional_policy/atlas2007/czech/) or <http://www.strukturalni-fondy.cz/>.

<sup>31</sup>Czech wording: Národní orgán pro koordinaci-Ministerstvo pro místní rozvoj (NOK-MMR).

<sup>32</sup>Ministerstvo pro místní rozvoj - Národní orgán pro koordinaci (2009): Nestátní neziskové organizace v programovém období 2007-2013, Aktuální stav čerpání nestátních neziskových organizací ([http://evropskyrok.vlada.cz/assets/ppov/rnno/vybor-pro-eu/2008/zapis\\_V-U\\_12\\_02\\_2009\\_priloha\\_2.pdf](http://evropskyrok.vlada.cz/assets/ppov/rnno/vybor-pro-eu/2008/zapis_V-U_12_02_2009_priloha_2.pdf)).

<sup>33</sup>11.11. 2010

particular example is OP Prague. Its programmes attract the highest number of non-profit organizations<sup>34</sup>.

The OPs, that the most NGOs have been focused on, are the Education for Competitiveness OP and the Human Resources and Employment OP. In any case, the selective procedure is rather difficult and the number of rejected proposals is quite high. The most problematic programme appears to be the already mentioned Education for Competitiveness OP.

The whole application process is lengthy and demanding<sup>35</sup>. As it is stated in other paper called The Conception Evaluation of Support of the Non-profit Sector Development<sup>36</sup>, the existence of EU funds does not make the situation concerning the Czech non-profit sector facilitative. The European funding system is still complicated and many NGOs are thus discouraged to apply at all. Payments which are assigned to a certain organization are mostly delayed so much that it is (highly) unprofitable and sometimes impossible for an applicant to wait for it. Even if EU proceedings are considered as ill-conceived we are in the period which is just temporary and preparatory. Many improvements are on the programme and they should reduce and smooth all the problems.

Another uncertainty is seen on the side of the state. The government is still responsible for reallocation of money coming from the EU and this process is considered to be either outdated or at least not revived. Therefore there are not many sustainable projects that a NGO would be disposed to repeat. Moreover a potential threat is that the state could strive to replace its own financial help by „EU money“. Fortunately it does not seem to happen in the near future. As it will be apparent later state assistance to NGOs has been growing.

## **2.2 NGOs and Support Coming from the State**

Now let me turn your attention to the financing again. We already went through the EU funding and we saw how generous the EU is. In this passage I will evaluate the state funding

---

<sup>34</sup>See Appendix 5.

<sup>35</sup>More specific information you find in the paper.

<sup>36</sup>Sekretariát Rady vlády pro nestátní neziskové organizace, a kol.: Zhodnocení koncepce podpory rozvoje neziskového sektoru (<http://www.slideshare.net/InnovationTank/zhodnocen-koncepce-podpory-rozvoje-nno-sektoru>)

in the Czech Republic including entire non-profit sector. I am going to use and interpret the results of the analysis<sup>37</sup> which were already elaborated by the Centre for non-profit sector research (CNSR)<sup>38</sup>. (The analysis is prepared annually.) I will concentrate on the last version that was opened to the public - The Financing Analysis of NGOs from the Public Budget in the year 2008.<sup>39</sup> Anyway I intend to draw a brief comparison among individual years too.

The survey contains information about subsidies from the state budget and funds, regions and municipalities. Recipients that we take into account are all types of non-profit organizations that we spoke about (of course there had to be made certain adjustments). As the study is really complex, tabular and clear I just want to highlight the most interesting parts and show some table<sup>40</sup>.

The overall sum which was allocated to NGOs reached 11,704 million CZK in 2008. As far as the state budget is concerned there were two areas granted the most by relevant ministries: employment and social affairs. They received slightly more than 50 % of given resources.

Next contributors were the regions whose support amounted to 1,483 million CZK. Prague region offered about 32 % of the whole sum. The areas of interest were physical training, social affairs and culture.

The municipalities were supporting mainly church legal entities. The main purposes were culture and protection of cultural monuments. Interesting fact is that investing intentions were provided just with 440 million CZK.

Lastly, budget of the state funds held mere 179 million CZK. Funds which assigned the most money were the Environment, Development of Housing and Agriculture Intervention Fund. And again, the noninvesting donations prevailed.<sup>41</sup>

---

<sup>37</sup>The majority of data was provided by the Ministry of Finance of the Czech Republic (MF) or the Office of the Government of the Czech Republic (OG); czech wording: Ministerstvo Financí ČR, Úřad vlády ČR

<sup>38</sup>Czech wording: Centrum pro výzkum neziskového sektoru (CVNS); <http://www.e-cvns.cz/>

<sup>39</sup>Czech wording: Rozbor financování nestátních neziskových organizací z veřejných rozpočtů v roce, CVNS; <http://www.vlada.cz/scripts/detail.php?pgid=332>.

<sup>40</sup>All figures stated below were gathered from <http://www.vlada.cz/scripts/detail.php?pgid=332>.

<sup>41</sup>Table of subsidies, see Appendix 6.

## 2.3 Problems with Financing<sup>42</sup>

It is indisputable that government and generally state assistance is significant not only for NGOs. Nonetheless the redistribution scheme of national finances on the level of regions and communes is not well-arranged. Many non-profit organizations have no idea about possible resources of funding existing in the country. It is partly because there is no transparent documentation of financial and other resources on offer. Non-profit organizations from time to time need to work on a long-term project which requires also some participation of a ministry or other authority. However it can be pretty difficult to find such an authority that would be disposed to finance some programme for long period.

As another example of possible resource of financing for NGOs I stated donations. Especially companies are very important supporters for some kinds of organizations. In our country we often meet with general displeasure to donate. The Czech non-profit sector is still not progressive enough to be able to attract more potential donors. This phenomenon could be reduced by higher tax write-offs. Unfortunately nowadays the solution of this sort is not very thinkable. If we are talking about benefaction of individuals the situation is even worse. It is one of the the rarest sources. On the other hand, when some kind of catastrophe takes place people are quite open to anonymous financial support. But again only few big non-profit organizations are able to prepare and advertise such an action.

Nowadays, although we are still using ready money (cash), it became very popular to pay by card or to use other type of non-cash payment. Also for a donator it is easier to practise bank transaction mainly for long-lasting cooperation. However, due to the high bank fees it is not frequently employed and thus NGOs are missing such type of contributions.

## 2.4 Economic Performance

It would be, according to my opinion, interesting to look at economic performances of individual types of organizations. There exist studies and analysis including detailed

---

<sup>42</sup>Sekretariát Rady vlády pro nestátní neziskové organizace, a kol.: Zhodnocení koncepce podpory rozvoje neziskového sektoru, <http://www.slideshare.net/InnovationTank/zhodnocen-koncepce-podpory-rozvoje-nno-sektoru>



overview concerning all conceivable aspects of functioning. The Centre for Non-profit Sector Research published studies summarising this topic. As I only want to provide a general idea about how successful non-profit organizations are in fulfilment of their mission, the summary of mentioned papers (concerning civil (civic) association, foundations and endowment funds, public benefit corporations and church societies) is listed in Appendix 7.

## **2.5 NGO Relations to the Economy (the Czech Statistical Office)**

Now I would like to pay attention to aggregated non-profit sector in the Czech Republic in macroeconomic terms. It means that I will try to provide information relating to NGOs with respect to our economy and simultaneously to show what role do NGOs stand for or how many of them presently exist.

At the beginning my intention was also to take into account quite recently initiated financial crisis. According to my opinion it could be really interesting to know whether also the sector of non-profit organizations has been affected by the crisis. However the data are accessible till the end of the year 2008. We should consider that the crisis started off in 2007 in the US and spread into the world during the following year(s). Therefore we have a little more than one year of figures which can document potential changes.

Very clear outline, both qualitative and quantitative, offers the Czech Statistical Office (CSO). We have to bear in mind that numbers collected by the CSO contain information about more forms of organizations than I presented in the introductory part. The official title of the category monitored by the CSO is Non-profit Institutions Serving Households (NPISHs) and is marked S.15 (S for sector). There are also NPIs that serve government and corporations, e.g. associations of firms, however, according to the national accounting rules they are included in the government and corporations' sectors respectively.

Table 1 shows the classification of NGOs according to their legal forms. Besides 5 forms defined at the beginning of this work there exist some others for example political parties, public schools or associations of professionals. Few organizations quite significantly influence total number of NGOs. Organizational units of associations, for example, are

mostly founded within particular associations. They are part of it even if they legally act as a single subject. Then there are listed associations of owners of dwelling units. The importance of their existence is high because their services concern a substantial part of the population. After some legal adjustments took place the interest in establishment of new associations rose up. And lastly I would mention hunting communities which nowadays also stand for quite plentiful unit. Likewise here, law modifications have helped to improve a smooth working of the communities and thus supported growing attraction to hunting activities.

Table 1 – *Classification of NGOs*

Name of legal form Název právní formy	Number of reporting units in year Počet zpravodajských jednotek v roce						
	2002	2003	2004	2005	2006	2007	2008
Foundation Nadace	252	227	250	293	307	302	379
Endowment fund Nadační fond	666	534	573	725	650	697	967
Public Benefit Corporation Obecně prospěšná společnost	338	376	610	511	742	879	1 271
Secondary school Střední škola	49	47	41	41	1	0	0
Basic school Základní škola	24	22	20	19	0	0	0
School facility Školské zařízení	10	7	7	8	2	0	0
Pre-school facility Přeškolní zařízení	9	11	12	7	0	0	0
School legal person Školská právnická osoba	0	0	0	0	110	120	130
Health establishment Zdravotnické zařízení	8	8	6	6	3	2	2
Association (club, union, etc) Sdružení (svaz, spolek, společnost, klub aj.)	37 226	33 304	34 343	37 688	39 913	43 717	59 023
Political party, political movement Politická strana, politické hnutí	241	152	55	46	63	65	89
Church organization Církevní organizace	3 595	2 983	3 209	3 428	3 365	3 323	4 035
Organizational unit of association Organizační jednotka sdružení	22 486	21 302	20 371	24 110	22 136	26 450	26 707
Professional organization - chamber Stavovská organizace - profesní komora	77	70	71	17	17	17	17
Association of legal entities Zájmové sdružení právnických osob	442	331	335	457	441	433	651
Hunting community Honební společenstvo	253	2 497	2 432	2 716	2 899	3 133	3 955
<b>Czech Republic, total</b> <b>Česká republika celkem</b>	<b>65 676</b>	<b>61 871</b>	<b>62 335</b>	<b>70 072</b>	<b>70 649</b>	<b>79 138</b>	<b>97 226</b>

Source: the CSO

All figures stated in related text are taken from this table

→ in 2008 there were the most foundations and endowment funds registered - 379 and 976 respectively

→ the number of public benefit corporations in 2008 was more than 3.7 times higher than in 2002

→ since 2003 (civil) associations' quantity has been rising and in the year 2008 there were about 35 % more units than in the year before

→ the most numerous forms were associations every year (mainly because of their legal provision which is set quite widely)

Considering the possible influence of the crisis someone could have expected NGO reduction. However the opposite occurred. We are familiar with the main purpose of NGO foundation which is not to maximize profit but to serve as a supportive power when some obstacles occur. And in the time of financial crisis mainly financial corporations, enterprises making profit or even state institutions are in trouble. Hence non-profit organizations try to substitute them and provide certain services. This could be the case of the year 2008 as the total number of NOGs rose even more than in previous years.

Table 2 – Production account

Title Název	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Resources Zdroje</b>											
Output Produkce	22433	23499	26745	25194	29637	31376	34233	36522	40583	46638	47379
Market output Tržní produkce	5714	4695	6535	5064	8365	7847	8249	9392	9228	9887	9878
Output for own final use Produkce pro vlastní konečné užití	14	5	16	10	15	5	6	8	19	14	6
Other non-market output Ostatní netržní produkce	16705	18799	20194	20120	21257	23524	25978	27122	31336	36737	37495
<b>TOTAL</b>	<b>22433</b>	<b>23499</b>	<b>26745</b>	<b>25194</b>	<b>29637</b>	<b>31376</b>	<b>34233</b>	<b>36522</b>	<b>40583</b>	<b>46638</b>	<b>47379</b>
<b>Uses Užití</b>											
Intermediate consumption Mezispotřeba	15237	16400	18737	17135	19926	20315	24117	21748	24084	27369	27866
Gross value added Hrubá přidaná hodnota	7196	7099	8008	8059	9711	11061	10116	14774	16499	19269	19513
Consumption of fixed capital Spotřeba fixního kapitálu	1355	1415	1504	1594	1729	1714	1837	1970	2111	2347	2554
Net value added Čistá přidaná hodnota	5841	5684	6504	6465	7982	9347	8279	12804	14388	16922	16959
<b>TOTAL</b>	<b>22433</b>	<b>23499</b>	<b>26745</b>	<b>25194</b>	<b>29637</b>	<b>31376</b>	<b>34233</b>	<b>36522</b>	<b>40583</b>	<b>46638</b>	<b>47379</b>

Source: the CSO (in million CZK)

All figures stated in related text are taken from this table

→ the volume of production was systematically growing since 2001 and the average annual growth was 10.8 %, in 2008 the production rose up only by 1.6 %

→ the output for own final use stayed substantially low (in comparison to other types of organization)

→ another indicator that shows smaller increase between last two years is the intermediate consumption, it increased by 1.8 %

Table 3 – Closing balance sheet

Title Název	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Assets Aktiva:</b>											
Produced assets Vyrobená aktiva	57209	61825	63698	65620	66878	68734	72113	75654	79553	86159	90959
Inventories Zásoby	1505	1044	1054	861	867	1108	880	1134	1506	1664	1385
Materials and supplies Materiál a polotovary	465	350	439	315	288	431	409	225	358	224	207
Work in progress Nedokončená produkce	726	488	433	521	502	560	364	849	1055	1375	1116
Finished goods Hotové produkty	76	26	28	3	24	40	37	19	33	22	21
Goods for resale Obchodní zboží	238	180	154	22	53	77	70	41	60	43	41
<b>Liabilities and net worth Závazky a čisté jmění:</b>											
Liabilities Závazky	7625	9031	10211	11940	11079	13916	17052	13405	14598	22826	31021
Loans Půjčky	1497	2530	1737	2112	1092	2283	3171	3102	6828	13782	22477
Short-term loans Krátkodobé půjčky	363	353	274	161	61	113	571	501	856	592	223
Long-term loans Dlouhodobé půjčky	1134	2177	1463	1951	1031	2170	2600	2601	5972	13190	22254

Source: the CSO (in million CZK)

All figures stated in related text are taken from this table

→ the produced assets were growing in volume every year; the highest amount of 90,959 million CZK was reached in 2008

→ the amounts of inventories changed quite noticeably during the observed period

→ changes in materials and supplies did not demonstrate any considerable trend

→ the liabilities climbed up to 22,826 million CZK in 2007 and in 2008 got over the bound of 30,000 million CZK what was almost 4,1 times more than in 1998

→ the loans rose up really significantly in 2008 and were by 63 % higher than in the previous year

It should be mentioned that I integrated the data from the closing balance sheet (Table 3) more as a matter of interest than as a significant indicator of NGOs' economic condition.

The asset side of the balance sheet did not demonstrate any significant changes. The particular components seemed to be adapting on actual state by adjusting their volumes in production process. On the other hand the liabilities grew quite markedly in the last year of survey. When the loans increased up to 22,477 million CZK from the previous 13,782 million CZK, some difficulties might have occurred.

Table 4 – *Revenues and expenses*

Indicator Ukazatel		2002	2003	2004	2005	2006	2007	2008	Index 2008/07
<b>Revenues, total</b> <b>Výnosy celkem</b>		<b>45 131</b>	<b>42 923</b>	<b>42 925</b>	<b>42 174</b>	<b>50 181</b>	<b>52 405</b>	<b>52 501</b>	<b>100.2</b>
Of which z toho	<i>Revenues from own products</i> tržby za vlastní výrobky	625	780	749	406	747	943	471	49.9
	<i>Revenues from services</i> tržby z prodeje služeb	10 607	11 341	11 052	10 246	12 469	11 267	13 436	119.3
	<i>Revenues from merchandise</i> tržby za prodané zboží	1 182	1 221	740	584	838	1 543	457	29.6
<b>Expenses, total</b> <b>Náklady celkem</b>		<b>45 007</b>	<b>42 809</b>	<b>42 681</b>	<b>42 724</b>	<b>49 332</b>	<b>51 573</b>	<b>50 756</b>	<b>98.4</b>
Of which z toho	<i>Materials and energy consumption</i> spotřeba materiálu a energie	4 174	4 856	4 724	5 179	6 200	6 666	4 565	68.5
	<i>Consumption of other non-storable supplies</i> spotřeba ostatních neskladovatelných dodávek	331	351	291	432	433	1 138	290	25.5
	<i>Merchandise sold</i> prodané zboží	966	1 120	594	578	735	1 213	392	32.3
	<i>Consumption of services, total</i> spotřeba služeb celkem	11 768	11 569	13 565	12 867	16 569	14 135	13 901	98.3
	<i>Wages and salaries</i> mzdové náklady	5 725	6 096	6 374	7 145	8 517	8 965	9 939	110.9
	<i>Statutory and other social insurance and expenses</i> zákonné a ostatní sociální pojištění a náklady	2 183	2 338	2 265	2 478	2 776	2 892	3 206	110.9

Source: the CSO (in million CZK)

All figures stated in related text are taken from this table

→ total income varied yearly and no obvious rising tendency did not arise; the figure from 2008 reached 52,501 million CZK

→ as far as the revenues from own products and merchandise are concerned, their volumes fell quite significantly in the last year of survey, the former was almost by 50 % lower in 2008 in comparison with preceding year

→ total expenses were lowered in 2008 however only by 1.6 %

→ the consumption of materials and energy was on average stable or increasing during the years however in 2008 fell under the values from 2002

→ the only two indicators that increased in numbers in 2008 (with respect to 2007) and reached the highest figures among recorded years were wages and salaries and the statutory and other social insurance and expenses; the wages climbed up to 9,939 million CZK

Changes in revenues and expenses in Table 4 can give you a good indication of company's condition. Our outcome should be applicable also to the whole non-profit sector. It seems that the most noticeable changes were seen between the years 2007 and 2008. Organizations started saving more, at least in some areas. And also revenues from goods, not services, fell down. Such phenomenons can be ascribed to uneasy or unclear financial situation in the particular organization or in the whole sector, economy.

Table 5 – *Workers and wages*

Indicator Ukazatel	2002	2003	2004	2005	2006	2007	2008	Index 2008/ 07
Registered number of employees: actual persons, 31 December Evidenční počet zaměstnanců ve fyzických osobách k 31.12.	37 029	39 209	38 359	42 711	44 598	48 538	X	X
Of which/ z toho: Women ženy	21 415	22 926	23 738	26 710	28 340	31 754	X	X
Employees in 2nd employment zaměstnanci ve vedlejším pracovním poměru	3 390	3 753	3 052	3 326	3 221	X	X	X
Average registered number of employees, actual persons Průměrný evidenční počet zaměstnanců ve fyzických osobách	36 071	36 975	36 770	39 125	41 854	45 333	45 388	100.1
Of which/ z toho: Part-time employees zaměstnanci s kratší pracovní dobou	8 968	10 024	9 484	10 440	11 061	12 874	10 614	82.5
Average registered number of employees, full-time equivalent Průměrný evidenční počet zaměstnanců přepočtený	31 938	32 585	32 067	34 285	36 075	38 686	38 130	98.6
Number of voluntary workers, actual persons Počet dobrovolných pracovníků ve fyzických osobách	531 179	686 339	494 272	838 947	890 571	1 282 997	1 236 530	96.4
Wages - excl. other personnel expenses Mzdy - bez ostatních osobních nákladů	4 988	5 357	5 488	6 189	7 073	8 285	8 382	101.2
Other personnel expenses Ostatní osobní náklady	1 040	1 049	1 353	1 129	1 544	1 871	1 218	65.1
Number of persons working under contracts other than contracts of employment Počet osob pracujících na dohody o pracích konaných mimo pracovní poměr	146 945	117 497	105 640	116 063	138 593	132 128	95 718	72.4

Source: the CSO

All figures stated in related text are taken from this table

→ the average number of employees who were registered was, with one year exception, annually growing and the total in 2008 was 1.26 times higher than in 2002

→ the interest of volunteer work was always massive however continuous growth stopped in 2008

→ similar conclusion can be made in case of wages - they grew only by 1.2 % between 2007 and 2008

Indicators in Table 5 showed development of non-profit sector and rising interest among general public. It is apparent from the fact that more workers and volunteers were interested in NGOs' activities every year. However there were some exceptions. One of them appeared

in the year 2008 when shown figures finished increasing or even fell. The explanation could be given by impaired economic conditions. Any uncertainty requires cost-saving measures what can be demonstrated, apart from other steps, by reduction in wages or number of job possibilities. Moreover also potential workers can lose their concerns about non-profit sector.

I have chosen only few interesting tables which gave us information about the Czech non-profit sector in the past 7 years. The figures showed generally growing tendencies but we have to remember that also the number of individual forms of NGOs was increasing. Another important fact is that available data sets indicated some problems in terms of smaller figures in the year 2008. Of course, fluctuations in total numbers appear quite often. As I already made some remarks about findings concerning potential impact of the crisis, now I would like to move to the next part regarding particular examples of the Czech non-profit organizations.

## **2.6 NGOs and Annual Reporting**

The organization, which I intentionally chose for the following elaboration, is a civil association. It was set up in Prague and after some time its services spread also to other parts of the Czech Republic. The field of NGO's activity has been widening and therefore we can monitor its development in time. It is probably needful to add that DKC is one of the bigger organizations in sense of provided services or media and public awareness.

In order to support outcomes from the previous section I would like to evaluate figures demonstrating organization's economic activities. Moreover they should indicate how successful the organization is in performing its mission. Then the funding system from the NGO's point of view is going to be considered. If possible I would mention both state and European funds. Furthermore I intend to deal with the topic relating to the financial crisis.

The only accessible sources of suitable information were the annual reports (ARs). Although it is compulsory for certain types of NGO to publish their ARs, plenty of them do not do so. Among those that are legally bound to report about their functioning are e.g. foundations and endowment funds, public benefit corporation's or political parties. On the other hand

there are civil associations or church and religious societies which are allowed to decide whether or not to inform general public about their performance. Even if it is not compulsory for them some organizations provide their reports anyway.

The structure and organization of individual AR is not precisely defined. In spite of this fact the general concept is mostly similar. We are particularly interested in one part - the summarized tables with revenues and expenditures. As the title suggests these reports are published annually.

### **2.6.1 DĚTSKÉ KRIZOVÉ CENTRUM, o.s. (DKC)<sup>43</sup>**

The Child Crisis Centre, c.a.

The centre was founded in 1992 in Prague. Its services were officially appreciated by the Ministry of Labour and Social Affairs. It specializes in diagnosing, therapy and prevention of Child Abuse and Neglect syndrome (= CAN). The target group of potential users are children from incomplete, nonfunctional, socially weak families. Possible clients can also be whole families which occurred to be in any serious or hopeless social situation.

DKC cooperates with and employs many specialists who are engaged in various problematic areas concerning Child Abuse and Neglect syndrome. The spectrum of their services includes e.g. lecturing and public education, professional therapy and treatment, provision of asylum for urgent cases, or law consulting. One of the most appreciated and frequently used services is telephonic and internet helpline. The telephonic support has been working since 1996 and the internet consultation was initiated in 2000. Their inestimable benefit has been documented by substantially growing number of users. (It is probably due to the client's possibility to stay in anonymity and immediate assistance which is moreover free of charge.)

---

<sup>43</sup><http://www.dkc.cz>



Table 6 – Revenues and expenses<sup>44</sup>

<i>Revenues</i>														
Account entry	2002		2003		2004		2005		2006		2007		2008	
	CZK	%	CZK	%	CZK	%	CZK	%	CZK	%	CZK	%	CZK	%
Revenues from services	80 400	100,00	116 600	2,46	33 800	0,69	46 840	0,84	33 600	0,53	8 500	0,10	24 600	0,31
Clinical psychology									92 000	1,46			55 100	0,70
Interest on current account	2 800	0,07	800	0,02	800	0,02	1 770	0,03	2 500	0,04	1 900	0,02	2 050	0,03
Received contributions/services	24 700	0,64	40 300	0,85	87 900	1,78	60 140	1,08	60 000	0,96	40 300	0,47	99 800	1,28
Forum of donors DMS/mat. donations							32 500	0,58	10 600	0,17	35 200	0,41	31 300	0,40
Public collection											64 800	0,76	31 100	0,40
Financial donations	705 700	18,23	948 300	20,02	548 000	11,11	472 840	8,46	970 000	15,44	1 310 800	15,34	1 248 600	15,97
Non-financ. donations/services dona	286 900	7,41	227 100	4,79	142 700	2,89	234 500	4,19	68 400	1,09	116 900	1,37		
Membership contributions	12 100	0,31	9 700	0,20	3 200	0,06	9 900	0,18	5 500	0,09	4 200	0,05	4 100	0,05
MLSA subsidy	2 176 600	56,21	2 596 200	54,80	2 251 600	45,63	2 615 700	46,79	2 972 600	47,32	3 549 000	41,54	3 871 000	49,52
ESF subsidy											1 823 000	21,34	908 400	11,62
City subsidies	286 100	7,39	423 000	8,93	974 000	19,74	788 610	14,11	1 277 300	20,33	739 000	8,65	812 300	10,39
Středočeský region subsidy			123 400	2,60	222 000	4,50	230 000	4,11		0,00	300 000	3,51	50 000	0,64
Other non-state grants	296 700	7,66	252 000	5,32	670 000	13,58	1 098 000	19,64	790 000	12,57	417 400	4,89	679 400	8,69
Health insurance fund											131 800	1,54		
<b>Total revenues</b>	<b>3 872 000</b>	<b>197,92</b>	<b>4 737 400</b>	<b>100,00</b>	<b>4 934 000</b>	<b>100,00</b>	<b>5 590 800</b>	<b>100,00</b>	<b>6 282 500</b>	<b>100,00</b>	<b>8 542 800</b>	<b>100,00</b>	<b>7 817 750</b>	<b>100,00</b>
<i>Expenses</i>														
Account entry	2002		2003		2004		2005		2006		2007		2008	
	CZK	%	CZK	%	CZK	%	CZK	%	CZK	%	CZK	%	CZK	%
Material costs + energy	384 500	9,50	575 500	11,68	436 500	9,27	872 860	15,61	730 800	11,60	682 000	8,00	619 650	7,92
Services	1 005 300	24,83	1 282 600	26,04	1 142 100	24,25	1 181 065	21,12	1 160 000	18,42	1 990 600	23,35	1 626 400	20,79
Wage costs	2 572 500	63,55	3 038 840	61,70	3 079 500	65,40	3 506 520	62,70	4 236 100	67,26	5 799 500	68,02	5 522 100	70,59
Taxes and other charges							5 360	0,10	4 800	0,08	3 400	0,04	6 500	0,08
Other operating costs	86 000	2,12	13 300	0,27	10 200	0,22	7 245	0,13	7 400	0,12	7 700	0,09	8 500	0,11
Depreciation					10 900	0,23			124 400	1,98				
Financial expenses			15 000	0,30	29 700	0,63	19 150	0,34	34 900	0,55	42 500	0,50	39 550	0,51
<b>Total expenses</b>	<b>4 048 300</b>	<b>100,00</b>	<b>4 925 240</b>	<b>100,00</b>	<b>4 708 900</b>	<b>100,00</b>	<b>5 592 200</b>	<b>100,00</b>	<b>6 298 400</b>	<b>100,00</b>	<b>8 525 700</b>	<b>100,00</b>	<b>7 822 700</b>	<b>100,00</b>

All figures stated in related text are taken from this table

Despite the fact that the Centre's form is a civil association (and thus is not bound to prepare annual reports) it has been annually publishing reports informing about programmes, economic performance and also financial statements are included. The tables above depict revenues and expenses from 2002 to 2008. Individual items were often composed from more entries however I aggregated them because of place reduction and clear arrangement. Now I would like to go through the tables year by year and point out (economic) activities of the organization. After that I will try to summarize a general condition of Dětské krizové centrum.

In the year **2002** the organization existed already for 10 years. After that period it attracted many important donors who were disposed to donate repeatedly. The largest financial support came from MLSA. Its contribution amounted to 2,176.6 thousand CZK. Another „income“ was provided by various financial donors counted for 705,7 thousand CZK. Donated services stood for slightly more than 7 % of total revenues. Association's revenues created only 2.08 % of total and it was the third lowest contribution.

<sup>44</sup>Processed from particular annual reports, for more information see <http://www.dkc.cz/knihovna.php>.

Moving to expenses, the most costly were wage costs that reached 2,572.5 thousand CZK. However, if you take into account that there were 12 permanent workers employed (not considering the staff serving Helpline) then the average monthly wage would have been approximately 17,013 CZK<sup>45</sup>. In comparison to general Czech average monthly gross wage 15,524 CZK<sup>46</sup>, it would have been only slightly higher. All expenses climbed up to 4,048.3 thousand CZK. It means that organization's economic result was -176,300 CZK. As we will see it was not the only year when Dětské krizové centrum ended up with a loss. Anyway, in case of loss, that is subsequently rationally funded, an organization can continue in its operation (like DKC did).

For the year **2003** the Centre organized many essential improvements such as inner restructuring or an equipment innovation. New projects helped to make the organization much more visible (also because of mass media action). These and some other changes represented significantly higher public awareness, more clients, however also higher expenses on spent services. It was apparent from revenues from services that grew considerably in comparison to the previous year however they still counted only for 2.46 % of total revenues. The whole sum of revenues rose by almost 1 million CZK.

On the other hand also expenses went up. It was partly caused by planned restructuring. Wage costs growth was caused mainly by higher number of employees. In the end, the organization ended up with loss -187,840 CZK.

The year **2004** showed to be successful in the sense of final economic result. We should remember the fact that in 2004 the Czech Republic joined the European Union and therefore arose next source of financing. From our revenue-table is evident that city subsidies and other non-state grants went up quite noticeably. That is because also they got the opportunity to be supported more by „EU money“<sup>47</sup>.

Expenditures remained quite the same (with the most money spent on wage costs) and the economic surplus was 225,100 CZK.

---

<sup>45</sup>Counted for 252 working days in the year 2002; the Helpline staff was not included in the annual reporting.

<sup>46</sup>Figure provided by the Ministry of Labour and Social Affairs

<sup>47</sup>See for example <http://www.strukturalni-fondy.cz/>.

In the following year **2005** the organization gained a new source of revenues in the form of so called DMS (Donor Message Service)<sup>48</sup>. The received amount represented 0.58 % of all revenues in 2005. The total revenues rose up to 5,574,800 CZK what was about 1.7 million CZK more than three years before.

This year Dětské krizové centrum also reopened its medical section what increased both expenditures and cliental capacity (a rise in accepted clients was recorded<sup>49</sup>). Again, the most money was spent on wage costs which rose by more than 420 thousand CZK in comparison with the year before. After all, DKC run a slight surplus.

An attentive reader has certainly noticed that in the year 2005 taxes and other charges firstly appeared in the table. According to Act No 586/1992 Coll. on income tax, a civil organization is bound to tax all the income from services (related to the main purpose of an organization) just in case expenditures (on this certain service) are lower than revenues. However this concrete information is not included in ARs and thus we can not find out any further connections. Moreover, there are some other rules and exceptions. As we are not particularly interested in this kind of problem we will not go into details.

## **2006**

The association's authorities decided to take part in an EU project and to ask for a donation from ESF. The plan was approved by ESF managing bodies and was intended for the following two years. The organization spread its actions and it resulted in almost twice more financial donations than in the year 2005. City subsidies added to the organization's revenues almost 1,277,300 CZK. The total revenues climbed up to more than 6 million CZK.

Wider services required to employ another staff. It naturally resulted in higher wage costs which in the year 2006 counted for 67.26 % of total expenditures.

## **2007**

As I already mentioned, in 2007 Dětské krizové centrum started drawing on the European Social Fund and carried out its project. Although this action demanded a high level organization, they managed to satisfy also higher demand for their services. Despite this fact

---

<sup>48</sup>DMS is a simple way how to support a good deed via mobile phone by SMS. It can be used to help specific non-profit organizations by small amount of money.

<sup>49</sup>See <http://www.dkc.cz/knihovna-dkc/dkc-vz-2005.pdf>.

the revenues from services decreased to only 8,500 CZK. As opposed to it the financial donations grew as well as MLSA subsidy. The contribution of ESF was 1,823,000 CZK and revenues showed to be on the record level - more than 8.5 million CZK.

More staff employed implied also more money spent on wages and also services were more costly. After comparison of revenues and expenditures it resulted in - 17,100 CZK.

## **2008**

The last available data did not change a lot in comparison to the previous year. The organization continued in the European project and received another 900 thousand CZK. There was a slight rise in revenues from services, city and other non-state subsidies. Altogether the revenues fell by 700 thousand CZK.

The Centre showed to cut down the expenses and number of employees as well. Expenditures such as material costs and energy or wages were lowered. If we would consider a potential impact of financial crisis it could have been one explanation. On the other hand it seems that the organization only adapted to the current situation and planned performance. In any case Dětské krizové ended up with - 4950 CZK.

## **SUMMARY**

DKC employs a system of multi-source funding. Among donors there is general public, the state, regional or city authorities and others. In addition to these, donated services are also highly appreciated. It includes professional services which are connected with organization's activity.

If you look at the table as particular donations developed in time, you find out that no regular trend can be traced down. It documents that there are no fixed sums of money that the organization could count on. Especially potential private donors decide about a donation according to their actual (financial) situation. The same is valid for received contributions and donated services, public collections and so on.

Moreover, there are the state or other authorities which have subsidized frequently and in some cases with growing tendency. For example the Ministry of Labour and Social Affairs has considered DKC's activity for essential and thus it has always been the most important

supporter. Let's repeat that after 2004 (the year of the Czech accession to the European Union) also other state authorities rose their contributions and the organization utilized the possibility to draw on ESF.

However, the organization's representatives regarded the bureaucratic process relating to EU funding too demanding to apply again. A „pay system“ did not work properly and therefore the organization faced many problems when fulfilling project's objectives. Generally EU funds are considered as a good opportunity how to „easily“ get financial resources and many NGO apply for them. On the other hand, in reality we do not have any feedback on the performance of individual realizations - whether NGOs were satisfied or not.

The organization's expenditures did not show to be systematically growing either as they always adjusted to the present situation and DKC's programmes. The only costs that were annually growing were wage costs (mainly due to workers specialization and more services offered). Changes in accounting entries such as financial expenses or other operating cost did not influence final state nowise significantly.

Both total revenues and expenditures were growing in time with the exception of the last year 2008. I already suggested the possible impact of worsen economic conditions. Some financial moderation may be seen on the expense side of the table when the most costly expenditures were decreased. However looking at the revenues received, the willingness to donate did not appear to be affected as much. Because of this reason I believe that particularly this NGO did not feel the „real“ effects of financial crisis.

### **3 The Italian Non-profit Sector : in theory**

We are arriving at the point of my work where the non-profit sector of the next country is going to be introduced and analysed. As it was stated previously I am going to present the Italian third sector. I had the opportunity to live in Italy for some time and it gave me the chance to get to know local social and other services. I actually met there some people who were either working for a „non-profit“ organization or occupied with non-profit organization research. And it inspired me to deal with this issue.

At first my intention was to discuss the very same problems of Italian organizations like I did for the Czech Republic. However, I discovered that it was not possible because of a few reasons (listed below). In spite of this I believe that the sources which were available can offer sufficiently good overview of Italian non-profit sector.

One of the complications was that I did not find any similar institution to the Centre for Non-profit Sector Research existing in Italy. That is why I was not able to evaluate Italian non-profit organizations from the points of view as in the Czech case (e.g. the state financing or EU funds). On the other hand I found some useful information on the web page of The International Center for Not-For-Profit Law (ICNL) and the Center for Civil Society Studies<sup>50</sup>. They pay attention to the third sectors in many countries around the world and provide also a technical support and advisory assistance (also on-line).

The next obstacle was in an informative capability of Istat (the Italian Statistical Institute) concerning the Italian third sector. The Institute is an equivalent of the Czech Statistical Office however in comparison with the CSO the Italians started collecting the data concerning non-profit organizations much later. Hence it is not easy to compare indicators of both countries. On the other hand there exist well-arranged statistical tables provided by Eurostat (a DG of European Commission). It includes mainly macroeconomic data which are available for all (not only) European countries.

---

<sup>50</sup> <http://www.icnl.org/> and <http://www.ccss.jhu.edu/>

I am going to start with a historical overview which is going to be presented in more detail. Then I plan to introduce the system of Italian non-profit organizations. As it is not very easy task I am going to take into account various viewpoints of classification. After that a more general description of the whole non-profit sector is going to be given. In the end I would like to support a statistical survey with records of particular non-profit organization. Again, I am intending to use annual reports. However a publication of this kind of information is not compulsory for all organizations and so just a shorter time-series will be shown to illustrate a performance of Italian NGOs.

### **3.1 Historical Process<sup>51</sup>**

At the end of the last century an interest in the issue concerning Italian third sector started growing. In spite of this, nowadays the public awareness of this sector is not high. As far as the legislation and common definitions of non-profit organizations are concerned, the situation is not much better. It probably results from a complicated historical development which was strongly influenced by „struggles“ between the state and Church representatives. Nevertheless it should be mentioned that in the last decades noticeable improvements were done in terms of law settings.

Of course also Italian economy is faced with a problem of unsatisfied needs arising in the markets. This phenomenon occurs in almost every country. It is because there are many desired services and goods of which the provision is not profitable either for state institutions or common competitive enterprises (subjects). So the existence of philanthropic and unselfish providers of such services is crucial for correctly working economic system. There exists a complex of organizations which has been formed for many years. And the historical records inform us about an evolution of presently working associations and other types of not-for-profit entities.

---

<sup>51</sup>Processed from: Barbetta, G. P., (1997): *The Nonprofit Sector in Italy*. Manchester University Press, second edition (Copyright Lester M.Salamon, John Hopkins Comparative Nonprofit Sector Project)

Barbetta, G. P., (1993): *Defining the Nonprofit Sector: Italy*. The Johns Hopkins Institute for Policy Studies (edited by Salamon and Anheier), Baltimore, (*Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project*, no. 8)

Santuari, A., (2001): *The Italian Legal System Relating to Not-For-Profit Organizations: Historical and Evolutionary Overview*. *The International Journal of Not-for-Profit Law* Volume 3, (A quarterly publication of the International Center for Not-for-Profit Law, [http://www.icnl.org/KNOWLEDGE/ijnl/vol3iss3/art\\_4.htm#\\_ftn1](http://www.icnl.org/KNOWLEDGE/ijnl/vol3iss3/art_4.htm#_ftn1))

The organizations of our interest have been developing already since the 11th century. Their main aim has always been to assist those who needed any kind of help or support. In the history it was not unusual that a higher and powerful social class was ignoring conditions of the poor and neglecting any care provision they needed. Thus impoverished areas had to rely on charitableness of others.

The provision of basic services such as care for sick or old people, schooling and education, housing for homeless was given by charities. They were developing along with an increasing variety of people's needs. Charities remained untouched by the state attention until 1862 when the first law regarding not-for-profit activities was enforced by the Parliament. The new act, called „Great Act“, left however a sufficient room for voluntary organizations' decisions. They were not even prohibited to join the Church entities in order to enlarge their services. After some time the charities ironically stopped being under the full state supervision. Of course the state authorities did not want to accept such a situation and things were about to change.

As it was mentioned above, another providers of social services were religious societies. They were offering shelter for homeless people and widows with children, health care and medicaments etc. Their influence spread around the country and they had the opportunity to get to know wants and needs of all citizens. It was also a strong believe and unflagging endeavour what contributed to their pursuance. Because of a numerous representation of religious groups they developed a reliable supporting system. In critical times they were therefore able to secure the services without any external help.

Although the development of Italian non-profit sector was affected by many events in the past the most important role played the evolution of relations between the state and the Church. In the second half of the 19th century religious organizations were providing significantly more social services than the state. Benefic activities of the Catholic Church were moreover strengthened by other welfare organizations. They were called Opere Pie and comprised about 18,000 units at that time. All of them were responsible to ecclesia that was apart from other things supervising an endowment process.



The turn of the 18th and the 19th century was also the period of the Industrial Revolution and the working class became a significant part of the economic system. Workers started organizing themselves and also forming groups in order to support their common well-being and social wants.

Around 1866 the state decided to unify all organizations providing social services. The main aim was to lower the power of the Church and to create a publicly administered welfare system. Workers' associations became a part of the public mechanism already in the 19th century. However the Church did not want to surrender to its „enemy“.

Nevertheless in 1870 the influence of the Church was weakened because of the state's forcible occupation of Papal's territories which were subsequently connected to the Italian dominion. The disagreements continued even after this violent action. New Italian politicians were convinced that the Catholic Church had to be harmed even more. Thus in the period between 1866 and 1890 were proceeding confiscations of all religious belongings. Also organizations administered by the Church, including Opere Pie, were obliged to subordinate to the state decision-making. The confiscated property was assigned to the local authorities. They were thus given the possibility to found new educational and health institutions.

The last law which was intended to minimize any religious influence was enacted in 1890. It was known as „Crispi law“, bearing the name of the Prime Minister of that time. This act determined that all Opere Pie had to submit to the state's control. Since then they were denoted as Istituzioni Pubbliche di Assistenza e Beneficenza (IPAB)<sup>52</sup>. Moreover all other associations and charites serving public had to adopt the IPAB status too. Indeed, the attempts to secularize the Italian public were completed and all private beneficial organizations were since then governed by the state. As we will see, not for a long time.

The period between 1922 and 1943 is known as fascist period. Even though it was a difficult time for Italian nation the situation did not change a lot for non-profit organizations. They stayed under the control of the state however newly within the fascist regime. The great significance at that time gained Italian co-operatives. They were also incorporated into the

---

<sup>52</sup>Institutions of Public Service and Charity

fascist system and therefore the movement lost its original purpose. Furthermore some important laws were passed concerning social matters. For example in 1925 it was an act presenting the compulsory old-age and pension insurance. It should be also mentioned that in 1929 the Church regained part of its independence. In this year the Concordato was signed and it included also the affirmation that Catholicism became the only authorized religion in Italy.

The Italian Civil Code from the year 1865 was supplemented in 1942. We are particularly interested in the part concerning associations and foundations located in the First Book of the Code. Among other things it specified the relation between the state authorities and not-for-profit organizations or their non-commercial and non-economic intention.

After the Second World War ended a new Constitution was created in 1948. One part stood for a significant changeover for non-profit organizations. Associations were ascribed an important function when assisting individuals and were acknowledged the place within the system. Generally, a range of individual rights was enlarged. In spite of this, state actions suppressed the competences of non-profit organizations. It was caused by the high rise of health, educational and other necessities of people affected by the war. Relevant services had to be supplied primarily by the state.

However the state's ability to cover all the needs showed to be insufficient. It is worth noting that the religious associations started offering the assistance in the areas where it was needful. In 1984-85 the Church entities were allowed by the state to get back a *legitimare* status. They were marked *Enti Ecclesiastici Civilmente Riconosciuti*<sup>53</sup>. Besides their principal object, which was to render religious services, they were occupied e.g. with schooling, health care and so on.

Later on a permission of social-care provision was assigned also to private entities. It happened in 1988 when the Constitution Court judged that the Crispi law, at least its first section, was not valid anymore. It gave rise to new private providers of welfare services and moreover all IPABs were allowed to decide about their legal character, either public or

---

<sup>53</sup>Ecclesiastical Entities Legally Recognized

private. Subsequently this caused that new types and forms of non-profit organizations were arising but frequently with unclear legal statuses.

The services of not-for-profit organizations were evolving in the course of time. Third sector was more needed for a participation in the state welfare system. The government was contended with their assistance because a variability and specificity of individual demands rose quickly. The non-profit organizations were consecutively becoming an equivalent partner in a field of social affairs.

### **3.1.1 Law Progress After the Year 1990<sup>54</sup>**

In addition to the historical background I would like to add a few information relating to the legal development of Italian non-profit organizations. It can help us to get the picture of present non-profit system. I would like to remark that the intention is not to describe particular organizations in detail. It is going to be done in following sections.

#### **1990**

Already in this year was passed the Act concerning the Banking Foundations. The Government intended to have the whole banking system remade. There existed many extraordinary mixtures of public banks which combined profit and non-profit activities. In the year 1990 foundations and associations got a possibility to create a new form of organization. They were allowed to finance bank activities and therefore to become a shareholder (a strange forms of joint-stock companies were created). After some time, foundations were performing social and beneficial services and were cofinanced by banks dividends. When EU law recommendations came into existence the situation was about to change. Foundations were said to radically lower their shares in banks within a few years. There was a long line of such regulations.

After nine years of law modifications, which involved mainly the privatization of existing companies, Act No 153/1999 Coll. was passed and it is still present. It is stated there that

---

<sup>54</sup>Santuari (2001)

banking foundations are private non-profit legal entities and their goal is to pursue social services and therefore support economic progress.

### **1991**

The Act of 1991 determined the function of Voluntary Organizations. They were allowed to employ a few volunteers who were responsible for performing goal of an organization and were awarded some compensation. A part about a certain tax relief was included. After introduction of this law there was a big increase in formations of voluntary organizations.

Another law passed in the year 1991 was concerned with Social Co-operatives. We already spoke about co-operatives whose importance rose at the beginning of the 20th century. Social co-operatives were defined here in a different and closer sense - they had to follow interests of the whole society and care about incorporation of its members. There were legally distinguished two types of organizations. To these non-profit organizations were also ascribed some tax benefits.

### **1997**

Act No 460/1997 Coll. was intended to provide a legal framework for non-profit organizations. The Government wanted to rise a general awareness of third sector by setting a definition of not-for-profit sector. On the other hand it gave rise to a new form of organization called ONLUS (Organizzazione Non Lucrativa di Utilità Sociale)<sup>55</sup>. Its determination actually contained a legitimate orders of already existing organizations. It therefore caused a mismatch of laws which were valid for several non-profit organizations at the same time.

### **2000**

It is related to Social Promotion Associations. The Act did not introduce any new form of organization but stated the irreplaceable role of not-for-profit organizations because of their pursuance. Among other things, it was emphasized there that state authorities were expected to employ non-profit organizations when there was a need for social service. Another amendments and changes were presented concerning the Act from 1991 about Voluntary Organizations.

---

<sup>55</sup> Non-profit social organization

A long time expected Social Care Reform was enacted in 2000. It dealt with many fields of Italian social welfare. However we would be particularly interested in topics concerning a position of non-profit organization within the state system or reform of IPABs.

### **3.2 Problems with Definition<sup>56</sup>**

Before we come to a specification of Italian non-profit organizations there should be mentioned some facts concerning their problematic definition. As far as Italy is concerned, during the history there were many misleading laws and regulations introduced and also new types of organizations (rashly) established. Nowadays they are causing troubles and making impossible to create common legal juridical or tax definition of non-profit organizations in Italy.

As I already introduced at the beginning there exists a generally accepted definition of non-profit organization stated by Salamon (1997). A characterization that he introduced however does not hold for all European countries at the same level. Neither does for Italy. He characterized non-profit organizations as *organized, private, non profit distributing, self-governing and voluntary*. However Italian non-profit sector could not adopt this definition as a whole because of some exceptions which do not meet following criteria:

#### *Private*

This condition specifies that an organization should not be run together with any governmental body or other authority. However we can not often decide the border between public and private status of Italian organizations. Not even Italian law helps to make things clear. As we already saw, one example could be public banks. After the legal modifications and a series of privatizations took place a regular private organizations were supposed to emerge. However up to a certain level they are still operating within public sector.

---

<sup>56</sup>Processed from Barbetta (1997) and Pettinato, S., (1999): Legislazione tributaria ed enti „non profit“: appunti descrittivi ragionati sull'imposizione corrente del Terzo Settore. ISSAN Working Papers (8), Trento, (<http://eprints.biblio.unitn.it/>)

The second example can be stated in form of IPABs. On one hand the name suggests a certain public motivation but on the other many IPABs are privately owned. There are often also Church authorities involved when decision about board members is done.

### *Self-governing*

An organization must not share or give up its decision making to governmental body or other public authority. Here again e.g. IPABs are not in accord with a „definition“ because there is still some public interest present. Next problem arises together with hospitals operated by ecclesiastic authorities. They serve a general public, partly belong to the state health system but are considered as non-profit organizations.

### *Non profit distributing*

It is one of the particularity concerned with Italian non-profit sector. Because there was no need for any tax regulation from the historical point of view (when organizations were not distributing any profit), a legal definition stating a prohibition of profit distribution among its members was not forced to emerge. Quite the contrary. Some of Italian non-profit organizations such as associations are under certain circumstances allowed to share profit. In other words, Italian non-profit sector distinguishes organizations according to the purpose of their establishment rather than by restrictions of profit distribution. However, it has to be said that lately emerging forms of non-profit organizations already consider such a precondition.

We already noticed that there is a general definition of non-profit organization missing. Although it would be definitely helpful to establish some, there exist so many different types of organizations what makes its implementation almost impossible. On the other hand, there are certain adjustments concerning some of non-profit organizations in Italian *Civil Code* (CC). It distinguishes two types of organizations according to the tax legislation:

- 1) **Commercial bodies** (in the fifth book of the CC): There are included all organizations with commercial aims or those which are occupied with business activity. They are obliged to pay taxes according to the Italian tax system.
- 2) **Non-commercial bodies** (in the first book of the CC): It covers all other organizations which do not carry out solely business or commercial activity.

Comprised are e.g. foundations, associations or committees. As opposed to the first case the obligation for non-profit organizations is „only“ to prepare the annual reports and have it confirmed by the assembly (however there is no certain determination of how financial statement should look like or any statement about their compulsory publication).

The way of legal framing of non-profit organizations I presented above is neither sufficient nor widely used anymore. For that reason we will adopt other method how to present Italian non-profit sector (see below). It is worthy to mention that there does not exist any similar classification of non-profit organizations considering their relation to the government bodies like in the Czech Republic. The Czech section was dedicated to the non-governmental non-profit organizations (NGOs). However Italian system does not allow such classification. Therefore the expression „non-profit organization“ (NPO) will be used for Italian non-profit sector as a whole.

The world of Italian NPOs is the complex characterized by a variety of legal entities. The fields of organizations' activities make the area difficult to classify. There are many particular organizations in existence. As they are subjected to the specific legislative arrangements (according to the civil and tax law) we can present them all only without any further grouping<sup>57</sup>.

The long list of NPOs showed in Appendix 8 documents how various the Italian non-profit sector really is. Anyway it is necessary to introduce at least those most common and important organizations. I am going to start with basic legal forms (categories) of NPOs. After that I would like to properly describe particular organizations. (Their description should be more detailed as they are very specific and unfamiliar in comparison to Czech non-profit organizations.)

---

<sup>57</sup>See Appendix 8.

### 3.3 Categories of NPOs<sup>58</sup>

#### **A) Le Associazione non riconosciute** (unrecognized (unincorporated) associations)

The vast majority of associations existing today in Italy is not recognized (arranged by the article 36 and following of the Civil Code). They are defined as "unrecognized" because they have no legal status.

It is in accordance with law to establish a unrecognized association even by means of a simple verbal agreement. However written approbation ensures better functionality and credibility of NPOs. In any case, concrete form is not required (not even notarial certification is needed).<sup>59</sup>

#### **B) Le Associazione riconosciute** (legally recognized (incorporated) associations)

They are organized by the CC (articles 14-24) where is stated that associations must be: constituted by a public legal act; recognized as a legal entity; recorded in a relevant registers set by the law. The legal entity recognition, as a consequence, ensures an administrator an advantage from limitation of liability for associative assets (as opposed to unrecognized associations). Moreover, possible acquisition of association's real estates is directed according to a method recorded in the constitution.

#### **C) Le Fondazioni** (foundations)

Foundations are comprised in articles 14-35 of the CC and therefore the same rules as for recognized associations are valid also for them. The ordinary method by which a foundation is established is the legacy from one or more founders who also provide organization's resources.

---

<sup>58</sup>Processed from: Cura di Gruppo di studio costituito tra Agenzia delle Entrate e gli altri, (2003): Come entrare nel mondo del non-profit - Guida pratica  
([http://www.agenziaentrate.gov.it/ilwvcm/resources/file/ebc1bb4abc96a39/no\\_profit.pdf](http://www.agenziaentrate.gov.it/ilwvcm/resources/file/ebc1bb4abc96a39/no_profit.pdf))

Colombo, G. M., Setti, M., (2009): Contabilità e bilancio degli enti non profit, Wolter Kluwer Italia, V edizione  
Pettinato (1999)

<sup>59</sup>Although it is not exceptionally important to present a structural organization of associations, in case of interest I added it in Appendix 9.



A foundation, that always have self-governing body, does not offer the status of shareholder (or other similar figures). It is not necessary for these institutions to set a permanent purpose (subject) of their actions. Foundation's assets are predetermined to the pursuance of certain social objectives. These objectives are rather social, cultural or solidary than mutual (i.e. not primarily intended to provide services or good to members of an institution).

#### **D) I Comitati** (committees)

This type of NPO is not characterized in the CC in detail. Committees can be defined as institutions, generally without the status of legal entity. They consist of small number of people who are responsible for raising funds needed for achievement of certain purpose. Again, in case of interest I listed a few more characteristics of committees in appendix<sup>60</sup>.

#### **E) La trasformazione di Associazioni e Fondazioni** (transformation of associations and foundations)

The reform, which took place in 2004 in Italy, deeply innovated the transformation process of organizations' legal forms. Among various changes was also introduced a possibility of so-called „heterogeneous transformation“, which implies the transition from corporate subjects to some different subjects or vice versa.

One possibility is to change a status of an organization from stock corporation to an unrecognized association or foundation. Then the second one could be a modification of recognized association or foundation into a stock corporation. It should be noted that for transformation into a stock corporation a status of legal entity is needed.

### **3.4 Common NPO Types**

After I introduced the main categories of NPOs it is time to pay attention to particular common organizations:

---

<sup>60</sup>Appendix 10

### **Le organizzazioni di volontario** (voluntary organizations)

These organizations are entities (that do not differ from those mentioned above) recorded in the civil law. The Law on Volunteering (Act No 266/1991 Coll.) acknowledges the social value and function of volunteer work as a “service” provided in a personal, spontaneous and free way through an appropriate organization. Such performance is done only for solidary purpose and without any wage claim (neither indirect).

There are some points that have to be explicitly stated in the constitution, for example absence of profit, exemption from association’s charges or requirements of the budget establishment and its approval.

Activities of an organization are generally financed by members, state, public authorities or international organizations contributions, donations and bequests and revenues from commercial activities<sup>61</sup>.

### **Le associazioni di promozione sociale – A.P.S.** (associations of social promotion)

Act No 383/2000 Coll. (Law No 7 December 2000 383) concerning associations of social promotion says that these NPOs are established to provide socially beneficial services for its members or other non-profit organizations. They are created by the written act containing certain requisites (such as, object, the absence of profit-creation). It is highlighted that they can not be represented by trade unions, political parties or similar organizations. A.P.S. are financially supported by the same means as voluntary organizations are.

There exist two particular types of A.P.S. The one is regarded to have a national character (implying that an organization is active at least in 20 provinces and 5 regions of the national territory). For these were created special registers at the Presidency of the Council of Ministers (the Department of Social Affairs). The other one is represented by regional or provincial associations which, on the other hand, have to be registered by Regional and Provincial authorities.

---

<sup>61</sup>In order to get the possibility to receive government subsidies and tax benefits, an organization should be registered in the Regional or Provincial register, according to the territory where the head office or headquarters is placed.

### **ONLUS – Organizzazioni non lucrative di utilità sociale** (non-profit social organizations)

They can be represented by unrecognized and recognized associations, foundations, committees working in the not-for-profit fields or by other private entities. There are distinguished three types of ONLUS (according to the taxation and law, „by choice“ and partial): *di diritto*, *per scelta*, *parziali*<sup>62</sup>. All the activities have to be carried out only for social purposes and precisely stated in the article 10 of Legislative Decree No 460/1997 (institutional activities)<sup>63</sup>.

Two types of institutional activities are services provided without any verification of disadvantaged beneficiaries (charity, health care etc.) and activities intended for predetermined disadvantaged target groups (drug addicts, refugees etc.)

### **ONG – Organizzazioni non governative** (NGO – nongovernmental organizations)

There exist also NPOs which are, mainly due to special guiding principles, particular methods or fields of activity, subject to a certain policy and therefore marked ONGs (NGOs). However, in fact, their work is separate from the state or government (or other similar authorities) operations. Actually, they are associations created within the civil society. ONGs are occupied with establishment of broader social cooperation among national, european and international institutions and their strategic policies.

### **Cooperative sociali** (social co-operatives)<sup>64</sup>

The last Italian NPOs we are going to specify are social co-operatives. They were legally introduced by Act No 381/1991 Coll. and nowadays they seem to be among the most spread and appreciated NPOs. Social co-ops characteristics are that they serve the whole community, mainly its (disadvantaged) members but also non-members. Within the

---

<sup>62</sup>For more information see pages 17-19 in

[http://www.agenziaentrate.gov.it/ilwwcm/resources/file/ebc1bb4abc96a39/no\\_profit.pdf](http://www.agenziaentrate.gov.it/ilwwcm/resources/file/ebc1bb4abc96a39/no_profit.pdf).

<sup>63</sup>Beside these, also additional activities are performed : analogous and auxiliary. It comprises services also for people who are not disadvantaged or actions supporting organization´s performance itself.

<sup>64</sup>Borzaga, C., Defourny, J., (2004): The emergence of social enterprise. Italy. From traditional cooperatives to innovative social enterprises. Routledge, London, p. 170-171, 176

organization exist different types of stakeholders (e.g. paid workers, volunteers, financial supporters).

There are distinguished three types of social co-ops (according to the Act):

*A-type* : providing services in the fields of health, social affairs and education

*B-type* : a kind of employment bureau for disadvantaged people (trying to help them to become a part of a labour market)

*mixed form of A and B-type* : combination of services provided by both

Because of the fact that social co-ops often cooperate with local governmental or other authorities, they are offered certain advantageous arrangements. Social co-operatives are recognized organizations and therefore the members dispose of limited liabilities. They are also allowed to decide (when being established) whether potential profits will be distributed among members or not.

### **3.5 Financial Support of NPOs<sup>65</sup>**

After I provided a characterization of several NPOs one can get a better picture about how various the Italian non-profit sector is. In any case, the thing that these organizations have in common is the need for some financial support. Even if the previous section contained a few remarks about financing I would like to summarize common resources in general terms. (A funding possibilities of particular NPOs are specified in relevant law arrangements.)

There exists a mixture of funding possibilities for each organization (like for Czech NGOs). On the whole we can distinguish private or public donors.

- Government funding.

There exist generally three types of governmental „payments“ dedicated for NPOs. The government provides either some resources for certain activities being under contract (e.g. for areas such as health and social care, international cooperation) or payments determined by the law settings or payment to specific institution (agency) that reallocates received resources to appropriate organizations.

---

<sup>65</sup>Barbetta (1997)

- Private support.

Beside private donors such as the general public or business corporations, NPOs also try to reach common markets where their goods and services could be sold (if possible). Then the financial support is provided by the potential „final users“.

- Contributions of members

It is decided by a particular NPO whether and in what extent such contributions are paid. Although there are some types of organizations for which this kind of resource is significant, in general, it does not represent a substantial part of non-profit organizations' finances.

- Volunteering

It is a form of service offered by (un/specialized) persons who do not expect any reward in return. A weight of particular service provided depends on the type of NPO.

- Tax exemptions

Actually, it is not possible to quantificationally state a condition for tax allowance that would be valid for the majority of NPOs. There exists a list of legislation (and with it connected tax) arrangements which are more or less specific for each organization. Above all it depends on what kind of goods or services an organization provides, where it is registered etc. Anyway, we are not going to go into details because such work would be sufficient for a separate study.

## **4 The Italian Non-profit Sector : in practice**

In the previous chapters I tried to present Italian non-profit sector with the assistance of representative categories and types of NPOs. Despite the fact I did not cover all existing types of non-profit organizations the sample I provided should be satisfactory enough.

Following part will be dedicated to the statistical (economic) survey of Italian non-profit sector representatives. After the more theoretical section now I would like to show some figures and numbers concerning chosen types of organizations. I am going to choose a few characteristics among which will be also financing.

### **4.1 Statistics by ISTAT**

I am going to start with a statistical overview of three types of Italian non-profit organizations. The institution which is responsible for provision of annual macroeconomic data is ISTAT (Italian Statistical Office ). As it was stated previously the general interest in Italian non-profit sector was not high till recent years. In 1999 ISTAT became aware of rising need for overall non-profit survey and quite extensive mapping of NPOs was done. In the following years the Institute provided some other statistical summaries of particular organizations, however not regularly. Therefore the most actual figures that ISTAT published and I have at my disposal are from years 2003 and 2005<sup>66</sup>.

---

<sup>66</sup>See Appendix 11 in order to get acquainted with Italian territorial systemization used in following text.

#### 4.1.1 Foundations (2005)<sup>67</sup>

In the year 2005 ISTAT organized the first separate statistical study of this kind of organizations. The survey provides quite generous source of information and takes into account different points of view relating to NPOs such as their territorial distribution, main services offered or human resources.

At the end of the year 2005 there existed around 4,720 foundations in the whole Italy. In comparison with data from the only previous analysis (in 1999) the numbers rose by almost 57 %. Such high rise can be mainly attributed to the process of IPABs privatization and subsequent possible transformation into foundations.

The Italian foundations are distributed very unequally around the Italian territory. Table 7 shows that the most foundations, numerically 2,087, were operating in the Northwest Italy. On the other hand the lowest number of foundations was recorded to be in the South, only 14.9 % of all Italian foundations. A rising tendency of foundations established, according to regional relative share representation, demonstrated only NPOs located in the Northwest.

In general there were operating eight foundations per 100,000 inhabitants and again, higher ratios appeared to be in the upper part of Italy.

---

<sup>67</sup>Le fondazioni in Italia Anno 2005 (<http://www.istat.it/istituzioni/associazioni/>)

**Table 7 - Territorial distribution**

REGIONS REGIONI	1999		2005		Foundations per 100 thousand people Fondazioni per 100 mila abitanti	Variation % 2005/1999 Variazione % 2005/1999
	Number Numero	%	Number Numero	%		
Piemonte	266	8.8	405	8.6	9.3	52.3
Valle d'Aosta/Vallée d'Aoste	11	0.4	31	0.7	25.0	181.8
Lombardia	672	22.3	1,430	30.3	15.1	112.8
Trentino-Alto Adige	86	2.9	88	1.9	8.9	2.3
<i>Bolzano/Bozen</i>	50	1.7	36	0.8	7.5	-28.0
<i>Trento</i>	36	1.2	52	1.1	10.3	44.4
Veneto	254	8.4	369	7.8	7.8	45.3
Friuli-Venezia Giulia	51	1.7	78	1.7	6.5	52.9
Liguria	122	4.1	221	4.7	13.7	81.1
Emilia-Romagna	275	9.1	443	9.4	10.6	61.1
Toscana	229	7.6	334	7.1	9.2	45.9
Umbria	59	2.0	71	1.5	8.2	20.3
Marche	69	2.3	123	2.6	8.0	78.3
Lazio	342	11.4	423	9.0	8.0	23.7
Abruzzo	71	2.4	77	1.6	5.9	8.5
Molise	7	0.2	9	0.2	2.8	28.6
Campania	137	4.6	191	4.0	3.3	39.4
Puglia	125	4.2	122	2.6	3.0	-2.4
Basilicata	6	0.2	23	0.5	3.9	283.3
Calabria	74	2.5	100	2.1	5.0	35.1
Sicilia	112	3.7	135	2.9	2.7	20.5
Sardegna	40	1.3	47	1.0	2.8	17.5
<b>Italy Italia</b>	<b>3,008</b>	<b>100</b>	<b>4,720</b>	<b>100</b>	<b>8.0</b>	<b>56.9</b>
Northwest Nord-ovest	1,071	35.6	2,087	44.2	13.4	94.9
Northeast Nord-est	666	22.2	978	20.7	8.8	46.8
Centre Centro	699	23.2	951	20.2	8.4	36.1
South Mezzogiorno	572	19.0	704	14.9	3.4	23.1

Source: the ISTAT

All figures stated in related text are taken from this table



Table 8 - *Type of the founder*

Territorial division types Ripartizioni territoriali tipologie	Only natural persons	Only NPI	Only businesses	Only public inst.	More types	Total Totale
	Solo persone fisiche	Solo istituzioni nonprofit	Solo imprese	Solo istituzioni pubbliche	Più tipologie	
Northwest Nord-ovest	56.3	20.9	3.5	5.9	13.3	2,087
Northeast Nord-est	47.3	23.7	1.8	10.1	17.0	978
Centre Centro	43.8	27.2	3.4	12.1	13.5	951
South Mezzogiorno	47.7	32.1	1.1	7.5	11.5	704
<b>Italy Italia</b>	<b>50.7</b>	<b>24.4</b>	<b>2.8</b>	<b>8.3</b>	<b>13.8</b>	<b>4,720</b>

Source: the ISTAT ( in %/numbers)

All figures stated in related text are taken from this table

The fact that the most foundations were founded by individuals or families is supported by the Table 8. We can see the more than 50 % of all Italian foundations was established by natural persons. On the contrary, the least founders appeared among businesses. It should be mentioned that also non-profit institutions set up a decent number of foundations in 2005. The interesting fact is that NPOs concentrated on foundation establishment most in the Southern Italy relatively to other regions.

The Table 9 shows that total amount received by all non-profit organizations in all regions reached 15,625,498 euros. As you can see, the higher contribution into NPOs' funds, around 78 %, came from private resources not only within the whole Italian territory but also on regional level. Again, the South was given relatively less private resources in comparison to other regions and thus had to rely on public funds, especially on revenues from contracts and / or conventions. As far as individual budget items are concerned, the highest revenues were from foundations' investments (30.6 %) and the second highest contribution was provided by organizations' members. As opposed to it, the smallest amount of money was donated or bequeathed (not even 1 % of total revenues). On regional levels, the most revenues of organizations situated in the Northeast came from investments (53.5 %). Foundations in the Centre were most supported by their members, also by more than 50 % of total revenues.

Table 9 - Budget items (private and public resources)

Territorial division types	Public fund Fonte pubblica					Private fund Fonte privata				Totale
	Sussidi e contributi	Ricavi da contratti e/o convenzioni <sup>68</sup>	Quote soci e/o iscritti <sup>69</sup>	Contributi del fondatore Contributions of the founder	Ricavi da vendita Revenues from sales	Omaggi e offerte	Donazioni e lasciti <sup>70</sup>	Redditi patrimoniali <sup>71</sup>	Altre entrate	
Northwest Nord-ovest	6.8	31.4	1.6	2.8	18.7	3.6	2.0	29.3	3.9	5,511,413
Northeast Nord-est	10.4	8.1	1.3	4.2	15.6	3.7	0.6	53.5	2.7	1,927,174
Centre Centro	3.4	1.3	54.3	6.4	2.7	1.8	0.2	27.5	2.5	7,112,417
South Mezzogiorno	18.1	43.8	2.7	1.7	9.9	1.8	1.0	16.3	4.6	1,074,494
<b>Italy Italia</b>	<b>6.5</b>	<b>15.7</b>	<b>25.6</b>	<b>4.5</b>	<b>10.4</b>	<b>2.7</b>	<b>0.9</b>	<b>30.6</b>	<b>3.2</b>	<b>15,625,498</b>

Source: the ISTAT (in %/euros)

All figures stated in related text are taken from this table

#### 4.1.2 Social co-operatives (2005)<sup>72</sup>

This survey provides statistical information about social co-ops from 2005. It mostly comprises an evaluation of all types of this kind of organizations (A-type, B-type, mixed). Some tables allow the comparison of the situation between the years 2003 and 2005.

In 2005 there were around 7 thousand social co-operatives in Italy. Their number rose by almost 20 % in comparison to the year 2003. According to ISTAT the majority (around 70 %) of this type of NPOs emerged after 1991. It was attributed to social co-ops being relatively new phenomenon.

Now I would like to focus on particular characteristics qualifying their performance.

<sup>68</sup>Revenues from contracts and / or conventions

<sup>69</sup>Investment income

<sup>70</sup>Donations and bequests

<sup>71</sup>Members contributions

<sup>72</sup>Le cooperative sociali in Italia Anno 2005 (<http://www.istat.it/istituzioni/associazioni/>)

Table 9 - Territorial distribution

Regions Regioni	Typology Tipologia				Total Totale
	type A tipo A	type B tipo B	mixed misto	consortium consorzio	
Italy Italia	59.0	32.8	4.3	3.9	<b>7,363</b>
Northwest Nord-ovest	59.2	35.0	1.3	4.5	<b>1,979</b>
Northeast Nord-est	57.6	32.3	5.4	4.7	<b>1,466</b>
Centre Centro	45.0	43.0	7.4	4.5	<b>1,431</b>
South Mezzogiorno	67.8	25.6	4.2	2.5	<b>2,487</b>

Source: the ISTAT (in %/numbers)

All figures stated in related text are taken from this table

In 2005, most social cooperatives were located in the South (33.8 % or 2,487 units). As it is seen from Table 9, the Centre, on the contrary, was the region with the lowest representation of this NPO (only 19.4 %). In relative terms, there were 12.5 organizations per 100 thousand citizens in total.

According to the type of organization, the highest ratio was represented by A-type (59 %), followed by B-type (32.8 %) and finally mixed units and consortia. In the Centre, there was almost balanced ratio between A and B-type social co-ops (both stood for slightly more than 40 %). In the rest of Italy, the A-type always outweighed the B-type representation.

Table 11 - Human resources

	Typology Tipologie						Total Totale
	volunteers Volontari	religious Religiosi	civil volunteers Volontari del servizio civile	employees dipendenti	collaborators Collaboratori	internal workers Lavoratori interni	
Type A Tipo A	10.6	0.3	1.2	74.7	13.1	0.2	200,501
Type B Tipo B	12.6	0.2	0.5	80.4	4.9	1.3	62,691
Mixed Misto	10.3	0.3	2.0	73.9	12.7	0.8	12,227
Consortium Consorzio	4.3	0.1	13	61.9	20.5	0.3	3,430
Total Totale	10.9	0.3	1.2	75.8	11.3	0.5	278,849

Source: the ISTAT (in %/numbers)

All figures stated in related text are taken from this table

Services of social co-operatives can be provided by different „types“ of workers. Our Table 11 shows some interesting information. In 2005 the total number of human resources hired was 278,849 for all types of organizations together. The most people worked for A-type social co-ops. In general, employees stood for a majority workforce for organizations. In A and B-types they represented 74.7 % and 80.4 % of all workers, respectively. Volunteers were also quite significant supporters (10 % ratio in A, B and mixed type). On the other hand, not even 0.5 % of organizations' human resources was formed by religious.

Table 12 - *Economic dimension*

Territorial typology Tipologie ripartizioni territoriali	Year 2003 Anno 2003		Year 2005 Anno 2005	
	volume of production valore della produzione	percentage composizione percentuale	volume of production valore della produzione	percentage composizione percentuale
	Type A Tipo A	3,106,648	64.4	4,132,604
Type B Tipo B	1,019,792	21.1	1,353,616	21.2
Mixed Misto	169,580	3.5	214,638	3.4
Consortium Consorzio	529,941	11	680,417	10.7
Total Totale	4,825,962	100	6,381,275	100

Source: the ISTAT (in %/euros)

All figures stated in related text are taken from this table

We are going to look at the volume of production with respect to the particular types of social co-ops showed in Table 12. In 2005 the total production value was more than 6.3 million euros with an average amount per co-operative of about 866 million euros. The A-type co-operatives produced the highest amount of output which was more than 4 million euros, i.e. 64.7 % of total production. On the contrary, only 214,638 euros was provided by mixed-type co-ops.

With reference to geographical distribution, the highest value of production, about 1.7 million euros, was concentrated in the Northwest and Northeast, respectively. On the other hand, in the South were produced only 974 thousand euros what stood for 15.5 % of total amount. It is interesting to note that when comparing the tables in 2003 and 2005, the proportional representation with respect to co-ops typology or territorial distribution remained almost the same.

### 4.1.3 Voluntary organizations (2003)<sup>73</sup>

Unfortunately, the most recent survey of voluntary organizations in Italy dates from the year 2003. On the other hand, in the years preceding 2003 there were four other researches performed. Therefore, even if I can present only seven years old data, the development in time can give us a good overview of organizations' performance. Moreover, some features remained valid despite increasing number of units. Among such characteristics are e.g. relatively small size of organizations with regard to number of volunteers or finances available or higher concentration of organizations in the health and social fields.

Table 13 - *Territorial distribution*

Regions Regioni	Number Numero	% 2003/1995	% 2003/2001	Org. per 10 000 inhabitants/abitanti
Italy Italia	21,021	152.0	14.9	3.6
Northwest Nord-ovest	5,977	119.0	14.0	3.9
Northeast Nord-est	6,626	161.9	10.3	6.1
Centre Centro	4,064	115.6	18.1	3.7
South Mezzogiorno	4,354	263.1	20.7	2.1

Source: the ISTAT (in %/numbers)

All figures stated in related text are taken from this table

It is evident from Table 13 that 28.5 % of organizations were located in the Northwest, 31.5 % in the Northeast and the lowest ratios, around 20 %, remained for the Centre and the South. The total number of voluntary units rose up to 21,021. It may be worthy to mention a relative representation of units per 10 thousand inhabitants. In the whole Italy it was just 3.6 organization. When comparing individual regions the most units occurred to be in the Northeast (6.1 organization).

<sup>73</sup>Le organizzazioni di volontariato in Italia Anno 2003 (<http://www.istat.it/istituzioni/associazioni/>)

Table 14 - *Human resources*

Regions REGIONI	1995		1997		1999		2001		2003	
	total totale	average number numero medio	total totale	average number numero medio	total totale	average number numero medio	total totale	average number numero medio	total totale	average number numero medio
Italy ITALIA	481,981	58	591,012	50	670,826	45	695,334	38	825,955	39
Northwest Nord-ovest	148,151	54	192,380	57	187,250	42	200,954	38	234,857	39
Northeast Nord-est	150,575	60	165,976	45	199,723	41	218,530	36	260,298	39
Centre Centro	122,770	65	142,126	55	162,186	54	152,576	44	176,808	44
South Mezzogiorno	60,485	50	90,530	43	121,667	44	123,274	34	153,992	35

Source: the ISTAT (numbers)

All figures stated in related text are taken from this table

There were about 826 thousand volunteers employed in 2003. In comparison with previous years the number was substantially growing. The largest increase was recorded in the South (by 281.4 %) and Northeast (by 202.6 %). On the contrary, in the Centre the rate of growth was decreasing. In general, during the years organizations got used to work with low number of volunteers. It is principally documented by figures for the South. In Italy as a whole, the average number of volunteers per organization got at 39 units in 2003.

Table 15 - *Economic dimension*

Regions Regioni	1997		1999		2001		2003	
	total revenue totale entrate	%	total revenue totale entrate	%	total revenue totale entrate	%	total revenue totale entrate	%
Northwest Nord-ovest	179,191	26.5	246,576	26.8	297,483	27.0	395,528	27.7
Northeast Nord-est	197,883	29.3	278,958	30.4	359,267	32.6	446,911	31.3
Centre Centro	228,801	33.9	264,421	28.8	300,546	27.3	393,125	27.6
South Mezzogiorno	69,07	10.2	128,85	14.0	143,44	13.0	190,734	13.4
Total Totale	674,945	100.0	918,805	100.0	1,100,736	100.0	1,426,298	100.0

Source: the ISTAT (in %/euros)

All figures stated in related text are taken from this table

As we can see in Table 15, the total revenues in 2003 were 1,426 billion euros which was slightly than twice more in the year 1997. Also the average revenue per organization rose from 58 thousand in 1997 to 68 thousand euros in 2003.

With regard to geographical distribution it was recorded that during the late nineties revenues were unequally concentrated mainly among organizations in the Centre or Northeast. This trend continued till the year 2003 when the highest revenue (31.3 %) was collected by organizations in the Northeast region, the Northwest and the Centre units shared around 27 % and only 13.4 % was left for the South. Probably better information capability can provide statements about average income per unit. In the year 2003, in the Centre was allocated 97 thousand euros per organization as apposed to the South where average revenue per unit was almost twice lower, 44 thousand euros.

## **4.2 Economic Performance According to Statistical Figures - EUROSTAT**

In order to get the picture about Italian NPOs (not only three types), I am going to present a few chosen economic indicators relating to the aggregated non-profit sector. As far as the indicators are concerned I tried to include those with the highest information capability. However, one important piece of information is missing i.e. the total of all not-for-profit organizations in Italy. On the other hand we have to keep in mind that such number is difficult to obtain. Above all it is because there exists a plenty of unincorporated (unregistered) association whose data are hardly measurable and registrable.

The following figures were collected by Eurostat and annually published (the data from 2009 are not available yet). Similarly to the CSO also Eurostat publishes data concerning only Non-profit Institutions Serving Households (NPISH, sector mark S15).

Table 16 – Eurostat figures

EUROSTAT FIGURES	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Gross operating surplus and gross mixed income</b>											
<b>Risultato lordo di gestione e reddito misto lordo</b>											
Italy	148	167	177	192	210	224	242	260	282	300	312
<b>Net disposable income</b>											
<b>Reddito disponibile netto</b>											
Italy	2957	3316	3255	3954	4342	4386	4691	4987	5189	5646	6073
<b>Net lending (+) /net borrowing (-)</b>											
<b>Accreditamento(+)</b>											
<b>indebitamento netto (-)</b>											
Italy	-237	-112	-260	263	381	203	167	257	137	461	704
<b>Final consumption expenditure</b>											
<b>Spesa per consumi finali</b>											
Italy	3611	3811	3869	4117	4467	4693	5078	5340	5676	5863	6113
<b>Domestic demand</b>											
<b>La domanda interna</b>											
Italy	3813	4033	4119	4377	4753	4997	5408	5679	6040	6240	6503
<b>Gross wages and salaries</b>											
<b>Salari e stipendi lordi</b>											
Italy	1557	1621	1633	1690	1782	1873	2002	2158	2286	2376	2498
<b>taxes on production</b>											
<b>imposte sulla produzione</b>											
Italy	54	60	64	69	70	67	66	78	85	87	119

Soucre : Eurostat (in million euros)

All figures stated in related text are taken from this table

→ Gross operating surplus was regularly growing in time and in the year 2008 it more than doubled with comparison to 1998. This trend was appropriate to contribute to the non-profit sector further growth.

→ The net disposable income indicator also indicates increasing tendency. We can see that NPOs created enough resources for their following usage. The highest interannual increase was recorded in 2000/2001. During this period a significant reform concerning NPOs took place.

→ Whether the third sector appeared to be a net creditor or debtor shows the table net lending/borrowing. During the first years of our observation Italian NPOs were „in the red“. For example in 2000 non-profit organizations borrowed around 260 million euros on aggregate. However, already in the year 2008 they had around 704 million euros at their disposal.



→ NPISH provide individual consumption of goods and services to households free of charge or at reduced prices. Again, these figures were rising year by year. In 2008, final consumption expenditure reached 6,113 million euros what was about 2,500 million euros more in comparison to the year 1998.

→ Domestic demand, like all other indicating figures, showed to be growing during the time. It is self-evident that with increasing demand also expenditures are expected to grow up. The highest number appeared again in the last monitored year 2008, 6,503 million euros.

→ One would expect wages to grow together with rising demand for services provided by NPOs. Gross wages and salaries rose up each year however their growth was nowise significant. Annually, they rose by about 100 million euros on average. The difference between 1998 and 2008 was approximately 1,000 million euros with the last recorded sum reaching 2,498 million euros.

→ The lowest sums of money were seen when looking at the table regarding taxes on production. It has to be said that in 2008 taxes more than doubled in comparison to the year 1998 when they equaled 54 million euros.

→ Social contributions and benefits counted for one of the most significant indicator. Already in 1998 contributions climbed up to 3,735 million euros. Nevertheless it is obvious that the non-profit sector is connected with appropriate social assistance.

With regard to financial crisis, our table did not show any relevant signs that Italian non-profit sector was affected by it. All the figures rose up also in the last year of our survey, however, in some cases, an increase was lower than in the previous years. On the other hand, it could have been caused by the choice of individual indicators. On the whole, I can not affirm any extensive effect of the crisis.

### **4.3 Annual Reporting in Italy**

After the descriptive section of Italian non-profit sector and its evaluation from the practical point of view it is time to present one particular non-profit organization. It has to be said that the selection of a suitable organization was not easy. My intention was to provide an overview, similar to the Czech one, of particular NPO type with the assistance of its annual reports.

However, as it was already stated at the beginning, legislative arrangements relating to the Italian third sector are neither unified nor clear (at least for a layman). Many types of organizations are not bound to publish results of their economic performance. In recent years, all NPOs started being motivated to prepare their annual reports in order to raise the transparency of their actions. Nevertheless, any uniform structure of such document was not determined and thus I came across few annual reports e.g. without any financial statement.

Actually, I got to know a few organizations that were providing their annual reports with economic data regularly (online). However, those NPOs were not purely Italian but cooperating with other international organizations and offering their services worldwide. Actually, that was one of the reasons why they had such well arranged tables. And because those organizations did not concentrate only on Italian territory I considered them as irrelevant for purposes of my work.

I decided to focus on one Italian foundation called Fondazione ABIO Italia Onlus. Unfortunately, the foundation published only two annual reports in 2007 and 2008. Despite this fact I assume them as a good source of information because they contain also economic tables of revenues and expenditures.

Needful to say that they are structuralized in much different way in comparison to those reports created by Czech NGOs (that I had the opportunity to see). Italian organizations publish most frequently so called Bilancio Sociale („social balance“) which is sometimes supplemented by Bilancio numerico („budget numbers“). Bilancio sociale contains more general information relating to the common aim of an organization, introduces particular employees in detail, narrated stories of individual beneficiaries or clients, etc. To put it

differently, they do not prefer to deal in detail with relevant plans and concrete programmes intended for a given year. Due to this fact, following analysis is going to be organized a bit more differently (considering the Czech annual report summary).

#### **4.3.1 Fondazione ABIO Italia Onlus<sup>74</sup>**

##### The organizational structure

ABIO is a not-for-profit organization which seeks only to achieve social solidarity in the field of charity. It was established according to Act No 460/1997 Coll. and registered at the local Registry. At the same time, it is a legally recognized entity by the Prefecture of Milan (in accordance with the CC, art. 14 and following).

ABIO promotes and supports the dissemination of *Associazioni ABIO*<sup>75</sup> in the national territory, coordinating their activities along with the principles of uniformity and quality of service. It is obvious that for fulfilment of ABIO's objectives, Associations ABIO are essential. They are voluntary organizations, which were established according to Act No 266/1991 Coll. (after the model of ABIO Milan) and registered at Regional or Provincial Registries. (Of course, Act No 460/1997 Coll. is valid for them as well.) Associations provide services in hospitals of the local territories with the common goals and operating procedures.

Moreover, ABIO has encouraged the emergence of numerous local branches, *le ABIO locali*<sup>76</sup> (founded under Act No 460/1997 Coll.), which are fully autonomous, both legally and financially. They have been founded in order to spread ABIO's pediatric services all around Italy. The local ABIOs are therefore working in many areas of national territory in order to ensure that every child and every family can count on the support of trained volunteers. Naturally, there exists a high degree of cooperation between individual local ABIOs.

---

<sup>74</sup>Foundation ABIO Italy Onlus, further only ABIO, <http://www.abio.org/>

<sup>75</sup>Associations ABIO

<sup>76</sup>the local ABIOs

## The main objectives

Already the subheading of the organization's name, *Per il Bambino in Ospedale*<sup>77</sup>, suggests what are the main interests and objectives of ABIO. All ABIO workers and volunteers try to promote and implement appropriate steps to care for children and adolescents in hospital in order to reduce the risk of trauma in case of their hospitalization or contact with the healthcare environment. Volunteers are also available for parents to offer them practical support. They are trained, organized into groups that endeavour to improve the quality of everyday life in hospitals. Their actions are performed in favour of children and their families, with the assistance of a kind treatment and implementation of entertainment and games.

## A short insight into the past

1978-1988

During this period an idea to found ABIO was „born“, with the intention to try to humanize the hospital environment, to make it „fit for children“ with the exclusive work of volunteers. First training courses for volunteers in 1982 were organized.

1989-1998

There was an increase in hospitals' awareness of ABIO existence, and the first contracts were signed. ABIO began to diffuse across Italy, with 12 associations that were coordinated.

1999-2002

ABIO was growing what was documented by the rising number of volunteers. E.g. only in Milan there were already around 800 volunteers employed. Newly, some new approaches to innovate the provided aid appeared. Coordination between groups also became well developed, including 40 National Associations.

2003-2006

ABIO is increasingly known because its widespread, serious, continuous and qualified work. New contracts with some charities were signed and thus raised financial resources.

---

<sup>77</sup>For the child in hospital

Up to now, ABIO published the ARs from the year 2007 and 2008. Therefore I am going to analyse them with the main emphasis put on the economic statements.

## **2007**

At the end of the year there already existed 54 Associations ABIO and 4 trainee associations what required a high effort to financially and personally support them. Since 2007 ABIO is part of the working group, coordinated by Save the Children<sup>78</sup>. Together they try to prepare the report for improving rights of children and adolescents in Italy.

In 2007 there were 199,872 children and adolescents hospitalized and 2,285,332 children assisted (in clinics or emergency). In order to assist all of them, ABIO human resources comprised already 4,886 members and volunteers organized by 58 local organizations.

All the actions would not be possible to promote without donors. Foundation ABIO received donations mainly from corporations. On the other hand, Associations ABIO were supported primarily by individuals and local entities. Based on the last budget, revenues, which were not used, could have been distributed among the main providers (companies, individuals, public bodies).

Another activities which are crucial for running ABIO are communication with mass media and fundraising. Among the most important groups of donors belong corporations and businesses. In the year 2007 ABIO organized many promoting actions in order to raise the public awareness of its existence and problems they are occupied with. One of the possibilities for people how to donate, was to send special donor messages (DMS). Thanks to this effort ABIO for example achieved to collect over 130,000 euros or involved around 1,500 new volunteers.

## **2008**

This year ABIO focused on inforcement of children's rights in hospitals. Organizing the First National Conference ABIO, the organization attracted much more attention than ever

---

<sup>78</sup>Worldwide non-profit organization (<http://www.savethechildren.org/>)

before. In the year 2008 one more Association ABIO came into existence and thus the total number was already 55, operating in 17 regions.

Year by year the Associations registered more volunteer help and in 2008 the total number reached already 4,916. Among other activities, ABIO increased the organization of informative and salutary lectures improving also competencies of personnel and volunteers.

The main financial sources of the Associations and Foundation ABIO remained the same. In any case, ABIO continued in fundraising actions including public promotion or donor SMS. The year 2008 was also innovative because the Foundation managed to finance commercials in the TV or in the Rome or Milan undergrounds.

Now, with the assistance of financial statements<sup>79</sup>, I am going to summarize performance of ABIO in 2007/2008. At the first sight it is obvious that latter year was „poorer“ in both expenditure and revenue. When considering charges of ABIO typical activities, in the year 2007 was paid about 200,000 euros more than in the following year. On the other hand, charges paid to the personnel were more than 100,000 euros lower. Promotional and fundraising expenses were higher in 2007, reaching almost 300,000 euros. This entry was significantly rised by fundrising on which was spent more than 121 thousand euros. General support charges were almost twice higher in the former year.

As far as income part of the statement is concerned, revenues of typical activities were again more than twice higher in 2007. On the other hand, the income from fundraising increased by more than 30 thousand in the year 2008. One of the causation could have been new commercials and TV shots which raised the awareness of ABIO´s pursuance. At the end, the total revenue in 2008 was „only“ 871,808 euros whereas the year before the income was 1,455,215 euros. And also operating result appeared to be much lower in 2008, equal to 104,983.

The reasons for such differences between the two years can be sundry. As it was stated above, while in 2007 the organization concentrated more on fundraising and promotion of its services, in the following year the endeavour was dedicated to more „theoretical“

---

<sup>79</sup><http://www.savethechildren.org/>

Table 17 – *Revenues and expenses*

<b>REVENUES/proventi</b>	<b>2007</b>	<b>2008</b>
<b>Activity (instit.)</b> <b>Attività istituzionali</b>	<b>1,264,265.60</b>	<b>605,991.01</b>
From public entities Da contributi da enti pubblici	94,003.65	62,771.75
From members Da soci e associati	2,050.00	1,800.00
<b>Other providers</b> <b>Proventi da raccolta fondi</b>	<b>130,133.00</b>	<b>186,608.35</b>
<b>Income from activity</b> <b>Proventi e ricavi da attività</b>	<b>50,749.35</b>	<b>37,801.00</b>
<b>Financial income</b> <b>Proventi finanziari</b>	<b>23,016.29</b>	<b>28,459.92</b>
<b>Total</b> <b>Totale</b>	<b>1,455,215.89</b>	<b>871,808.63</b>
<b>REVENUES/proventi</b>	<b>2007</b>	<b>2008</b>
<b>Activity (instit.)</b> <b>Attività istituzionali</b>	<b>1,264,265.60</b>	<b>605,991.01</b>
<b>From public entities</b> <b>Da contributi da enti pubblici</b>	<b>94,003.65</b>	<b>62,771.75</b>
<b>From members</b> <b>Da soci e associati</b>	<b>2,050.00</b>	<b>1,800.00</b>
<b>Other providers</b> <b>Proventi da raccolta fondi</b>	<b>130,133.00</b>	<b>186,608.35</b>
<b>Income from activity</b> <b>Proventi e ricavi da attività</b>	<b>50,749.35</b>	<b>37,801.00</b>
<b>Financial income</b> <b>Proventi finanziari</b>	<b>23,016.29</b>	<b>28,459.92</b>
<b>Total</b> <b>Totale</b>	<b>1,455,215.89</b>	<b>871,808.63</b>

(in euros) All figures stated in related text are taken from this table

approach - enforcement of children's rights. Naturally, it required wholly different organization and allocation of resources.

Heretofore I have not mentioned possible problems connected with the financial crisis which spread in Italy as well. Even if provided financial statements suggested the lower numbers being affected by potential economic difficulties any similar statement can not be accepted due to the lack of information. The longer time series of ARs would be needed in order to evaluate the organization's economic performance.



## **5 Atypical Conclusion**

My conclusion is going to be a little bit peculiar due to an untypical outcome resulting from my work. At the very beginning I had in mind to evaluate and compare both non-profit sectors in a separate chapter. However, the extent, diverse origin and organization of particular Czech and Italian data would not allow me to do so. Therefore I decided to summarize all results, consequences and observations in the closing part.

There are many reasons why the Czech and Italian third sectors are hardly comparable. In this section I would like to highlight the most obvious facts supporting this statement. At the same time, I am going to take into account several points of view which enabled me to characterize the non-profit sectors of both countries and to sum up my findings.

### **Historical events**

Looking at historical development in both countries we can understand the most probable cause of the third sectors dissimilarities. In the Czech Republic the provision of benefic and philanthropic services was a primary impuls for existence of non-profit entities. In the past, various forms of charities and associations were arising and their activities were supported by religious organizations. However, this progress was seriously affected by the presence of foreign (external) authorities in the country. The most important threat was represented by the Communists era after which the foundations of the non-profit sector had to be restored and new market conditions were needful to accept.

In Italy the evolution was somewhat different. The Catholic Church and its associations served as a primary provider of social services. On the other side, there were the state authorities who systematically endeavoured to repress religious efforts and to control their activities. Such conflicts were present during the long history and led to a disunited system and organization of non-profit sector. Moreover, it contributed to the emergence of autoletic organization forms that only widened a vague list of all not-for-profit units.

Historical progress is closely connected to the topic concerning a legal structure of both third sectors. One of the problems regarding Italian not-for-profit entities is absence of

common definition. During the history, the state did not feel the necessity to somehow regulate these organizations and thus the legitimate development was not smooth. Furthermore, among Italian NPOs exist a high proportion of unrecognized (unincorporated) organizations what makes the law arrangements even more knotty for non-experts. Next, it can be stated that there exist also several regional and provincial legislations which are valid only for relevant Italian territories (for more detail see<sup>80</sup>). To the contrary the situation in the Czech Republic after 1990 gave rise to creation of legal base of newly emerging organizations. Consequently the Czech third sector started reaching a forwardness of that European not until the last few years.

### **Usefulness of data**

Another problem regarding the sector comparison is a disparateness of available data. I already stated that in the Czech Republic exist several institutions or associations dealing with non-profit organizations<sup>81</sup>. Not only I have not found any similar units in Italy but also Italian ISTAT, unlike Czech Statistical Office, does not provide topical and sufficient information concerning Italian non-profit organizations. Generally, the Italian state authorities and also ISTAT started paying attention to their third sector just recently. Therefore a statistical knowledge of many areas relating to the non-profit sector is missing. Now I am going to summarize findings from particular sections relating to both countries.

We can contrast the dynamics of sector development thanks to the figures published by Eurostat. The numbers I chose in the following table show for example a great increase of operation surplus of NPISH in the Czech Republic. It demonstrates a high variability among years when the third sector was still looking for its place in the economy. In the year 2008 the amount was more than 15 times higher than 10 years ago. A similar story occurred with regard to gross national income figures. As opposed to it, Italian non-profit organizations' numbers showed to be („only“) gradually increasing in time.

---

<sup>80</sup>Come entrare nel mondo del non-profit - Guida pratica. A cura di Gruppo di studio costituito tra Agenzia delle Entrate e gli altri. 2003  
(<http://www.agenziaentrate.it/ilwpcm/connect/Nsi/Documentazione/Guide+Fiscali/Guide+anni+precedenti/2004/No-profit>, [http://www.agenziaentrate.gov.it/ilwpcm/resources/file/ebc1bb4abc96a39/no\\_profit.pdf](http://www.agenziaentrate.gov.it/ilwpcm/resources/file/ebc1bb4abc96a39/no_profit.pdf))

<sup>81</sup>CVNS, neziskovsky.cz

Table 18 – Eurostat comparison

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Gross operating surplus and gross mixed income</b>											
Czech Republic	16	42	49	41	45	70	21	149	192	203	241
Italy	148	167	177	192	210	224	242	260	282	300	312
<b>Gross national income/Balance of primary incomes, gross</b>											
Czech Republic	55	88	82	69	79	131	68	195	244	253	287
Italy	249	229	272	613	629	562	554	586	604	821	913

Source: Eurostat (in million euros)

All figures stated in related text are taken from this table

As far as Czech non-profit organizations are concerned, I evaluated the importance of financial support coming from the state and EU authorities. From the Table in Appendix 6 (State subsidies into Non-profit Sector ) is evident that resources which were provided by the state, municipal or regional budgets have been among those most appreciated by non-profit organizations. The amounts were substantially growing and in the year 2008 reached 11,704 million CZK.

After the Czech Republic accession to the EU, financing possibilities, not only for non-profit organizations, markedly expanded. Already before this act, EU institutions cared about proper preparation of Czech organizations for new conditions and financed a number of programmes and projects. I provided an overview of how much money flowed from the European Union. In any case, financial aid is organized with the assistance of specific projects which have to be prepared and submitted in advance. This may be a little bit problematic for some types of organizations which are not equipped for such actions (mainly because of lack of experiences). Still, the EU funding system occurs at the very beginning of its functioning in the Czech Republic and has to be developed yet.

Unfortunately, similar information relating to the EU funding for Italy was not available. One possible explanation could be that Italy was among the founding EU member and thus drawing on common EU funds has always been a self-evident activity. On the other hand, I did not even find information about state financing. However, from the statistical tables provided by ISTAT were apparent other phenomena typical for Italy. Above all, there exist considerable differences among individual Italian territories considering various viewpoints. With regard to regional distribution, the lowest portion of organizations is located in the South. The same statement is valid also for economic productivity of

particular non-profit entities. Poor revenues, with respect to other regions, appeared to be again in the South. On the other hand, units located in the Northwest/east or Centre of Italy were accompanied by high earnings<sup>82</sup>. It should be mentioned that non-profit organizations situated in the South experienced a significant increase of human resources.

Possible impacts of present financial crisis on the non-profit sectors are not easy to assess. Looking at the tables showing economic performance of Czech non-profit organizations, we can see a decreasing rates of growth e.g. in terms of production or total revenues of all units<sup>83</sup>. However, such occurrence does not allow us to decide that it was caused by worsened conditions due to the crisis. Moreover for Italy there are not any relevant (recent) figures accessible at all. Therefore, because of lack of information, no reliable conclusions can be done.

### **Annual reporting**

I presented one non-profit organization type for each country. With the assistance of their annual reports we could have seen some differences between them. Foundation ABIO showed to be distinctive by its organization structure. Furthermore, it was showed how legal arrangements concerning Italian non-profit organizations are applied. In any case, the organization of particular annual reports differed as well. The Czech NGO seemed to be (sufficiently) fulfilling its mission and moreover it succeeded in selective procedure and received EU grant.

All in all, due to a plenty of reasons, the Czech and Italian non-profit sectors cannot be compared. Their origins and historical conditions in the past differed enough and thus we can not wonder that nowadays they exist in different environments. In any case, both third sectors are gradually evolving, discovering new opportunities and heading towards common European cooperation.

Generally, the importance of non-profit sectors has been rising what was evident from the tables, analyses and surveys provided in my work. Total number of organizations has increased in last years and spectrum of individual types and forms has developed too. The

---

<sup>82</sup>See chapter 4.1.

<sup>83</sup>See chapter 2.4.

EU, state and other authorities started to consider non-profit organizations and voluntary associations to be an equivalent partner and a necessary part of economic system. This is very important fact because without any external support the third sector would not be able to develop and expand.

There are many topical worldwide problems and thanks to modern conveniences and technologies it is nowadays possible to co-operate among various organizations in different countries and thus reach common goals. The European Union plays very important role in this issue and helps with co-ordination of collective efforts, either financially or institutionally. To conclude, I am convinced that such trends will continue and non-profit organizations will become even more respected and appreciated.

## Appendix

Appendix 1 - Phare.....	79
Appendix 2 - ISPA.....	79
Appendix 3 - SAPARD.....	80
Appendix 4 – EU Funds (2004-2006).....	80
Appendix 5 – OP Prague.....	81
Appendix 6 – State Subsidies into Non-profit Sector.....	82
Appendix 7 – Economic Performance.....	83
Appendix 8 – List of Italian NPOs.....	85
Appendix 9 - Organization Structure of Unrecognized Associations.....	86
Appendix 10 – The Main Components of Committe.....	86
Appendix 11 – MAP: Italian Territories.....	87

## Appendix 1 - Phare

This programme was initiated and is still led by the European Commission in order to help future partners of the EU to reach the economic level allowing the accession. The advanced environment is definitely important also for founding and flourishing of the non-profit sector. Even though NGOs are not created with intentions to make profit, they are anyway competing on the common markets. It is stated in the report of the European Commission<sup>84</sup> that the concentration of this programme has been placed on many areas that fortify non-profit organizations. These are “employment and social affairs”, “political criteria”, “economic and social cohesion” and so on. Therefore also the power and potentialities of the public are strengthened thanks to better economic and legislative background. The height of the financial support is decided by the European Parliament and the Council of the EU. The Czech Republic finished the realization of programmes drawn on the fund in 2006. To have a rough idea about how much money was provided we can state that in the period 1998-2003 was allocated about 302 mil. euros<sup>85</sup> to our economy via National Phare Programme.

## Appendix 2 - ISPA

This programme allows non-profit organizations to assert themselves in ecological investigations, pollution abatement etc. They moreover serve as an informant for a general public that should be surely involved in the discussion about important topics. ISPA started working in 2000 and the Czech Republic was able to draw around 70 mil. euros<sup>86</sup> per year in the period 2000-2006. Again, with the EU accession all Czech ISPA plans were transferred to the Cohesion Fund.

---

<sup>84</sup>Supporting Enlargement - What Does Evaluation Show? Ex post evaluation of Phare support allocated between 1999-2001, with a brief review of post-2001 allocations, [http://ec.europa.eu/enlargement/pdf/financial\\_assistance/phare/evaluation/consolidated\\_summary\\_report\\_phare\\_ex\\_post\\_eval.pdf](http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/consolidated_summary_report_phare_ex_post_eval.pdf)

<sup>85</sup>[http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/tiskove\\_zpravy\\_29897.html?year=2007](http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/tiskove_zpravy_29897.html?year=2007), for more information see: [http://www.europarl.europa.eu/enlargement/briefings/33a1\\_en.htm#summary](http://www.europarl.europa.eu/enlargement/briefings/33a1_en.htm#summary).

<sup>86</sup>For more information see [http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/pom\\_eu\\_ukonprogr\\_ispa.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/pom_eu_ukonprogr_ispa.html).

### Appendix 3 - SAPARD

Our country joined SAPARD in 2000 and was allowed to draw on its grants for 6 years. However we were using this possibility only four years, till 2004. The proportion of total sum that fell to the Czech Republic was 22 mil. euros per year<sup>87</sup>.

### Appendix 4 - EU Funds (2004-2006)

In millions of € (common prices) v milionech € (běžné ceny)	Celkem Total	2004	2005	2006
Fond soudržnosti (průměr) Cohesion Fund (average)	945.3	316.9	266.1	362.3
Strukturální fondy (cíle 1-3), Structural Funds ( Objectives 1-3)	1,584.4	381.5	528.9	674
Cíl 1 Objective 1	1,454.1	338.9	485.4	629.8
Cíl 2 Objective 2	71.3	23.3	23.8	24.2
Cíl 3 Objective 3	58.8	19.2	19.6	20
Iniciativy Společenství Community Initiatives	100.8	28.6	32.1	40.1
INTERREG	68.7	21	21.4	26.3
EQUAL	32.1	7.6	10.7	13.8
Strukturální operace celkem, Total Structural Operations	2,630.5	727	827.1	1,076.3

Source: <http://www.strukturalni-fondy.cz/Programy-2004-20067>

The largest part of the resources headed towards the first objective. The reason why it was so is connected with the fact that one of the Community's main goals has been to offer the same, or at least similar, chances and opportunities for all members and regions. The next significant area of contributions was offered by the Cohesion Fund. Moreover we have to mention that the amounts of money that flowed to our country were growing during the given time period (see table above).

<sup>87</sup>For more information see [http://ec.europa.eu/agriculture/external/enlarge/back/index\\_en.htm](http://ec.europa.eu/agriculture/external/enlarge/back/index_en.htm).



## Appendix 5 – OP Prague

OP	Allocations on call	Applications submitted		Approved projects		Excluded projects		Unrealized projects		Portion of approved projects		Portion of excluded projects	
	Alokace na výzvu	Podané žádosti o podporu		Schválené projekty		Vyřazené projekty		Nerealizované projekty		Podíl schválených projektů		Podíl vyřazených projektů	
	million CZK/Kč	number počet	million CZK/Kč	number počet	million CZK/Kč	number počet	million CZK/Kč	number počet	million CZK/Kč	number počet	finance	number počet	finance
<b>OP PC</b>	4,698	14	1,388.8	1	16.2	7	216.5	0	0	7.1	1.2	50.0	15.6
<b>OP PA</b>	840	171	957.2	14	80.7	101	584.2	0	0	8.2	8.4	59.1	61.0
<b>Total Celkem</b>	<b>5,538</b>	<b>185</b>	<b>2,346.0</b>	<b>15</b>	<b>96.9</b>	<b>108</b>	<b>800.7</b>	<b>0</b>	<b>0</b>	<b>8.1</b>	<b>4.1</b>	<b>58.4</b>	<b>34.1</b>

Source: [http://www.vlada.cz/assets/ppov/rmo/vybor-pro-eu/2008/zapis\\_V-EU\\_12\\_02\\_2009\\_priloha\\_2.pdf](http://www.vlada.cz/assets/ppov/rmo/vybor-pro-eu/2008/zapis_V-EU_12_02_2009_priloha_2.pdf)

The most NGOs are concentrated in Prague and thus there appears the highest portion of submitted applications. On the other hand there is also the highest share of rejected or unapproved applications. Only eight percent of total amount of submitted proposals were supported. The cause of this phenomenon has been explained by continually unsatisfied demand for Prague's OPs.

## Appendix 6 – State Subsidies into Non-profit Sector

years roky	Subsidies into non-profit sector dotace do neziskového sektoru				inflation inflace
	<i>State budget</i> <i>státní rozpočet</i>	<i>Budget of regions</i> <i>rozpočet krajů</i>	<i>Budget of municipalities</i> <i>rozpočet obcí</i>	<i>State funds</i> <i>státní fondy</i>	
1999	2 171	370	-	-	2.1
2000	2 467	269	-	-	3.9
2001	-	-	-	-	4.7
2002	3 194	356	851	-	1.8
2003	3 818	635	957	-	0.1
2004	4 350	996	-	-	2.8
2005	3 509	1 413	-	-	1.9
2006	5 569	1 931	-	-	2.5
2007	6 600	1 094	3 165	300	2.8
2008	6 311	1 483	3 731	179	6.3

Source: <http://www.vlada.cz/scripts/detail.php?pgid=332> (in million CZK)

- Not available

The above-presented table shows a trend of financing possibilities from the state and other budgets. Some data are missing what does not allow us to evaluate a progress concerning all resources. In any case, the most „generous“ funding has always been provided by the state budget. In the last monitored year 2008 non-profit organizations received 6,311 million CZK. This amount was three times higher than in 1999. We can observe a growing tendency during nine observed years with two exceptions. In the year 2005 the sum fell down by 841 million CZK. Three years later the fall was by 289 million CZK. In the same year 2008 the drop in offered foundation experienced NGO’s from the side of state funds. The other two providers, the budgets of municipalities and regions, actually made their offer higher by 389 and 566 million CZK respectively. If we consider possible worsen conditions caused by impact of financial crisis it could be said that municipalities and regions were able to cope better with occurred circumstances than the state. I also added the column stating the actual levels of inflation. A potential reader can therefore sum up the overall situation in real terms.

## **Appendix 7 – Economic Performance**

### **Foundation Subjects<sup>88</sup>**

In 2002 the research recorded 346 foundations and 879 endowment funds. According to the type of foundation we can observe where it was located. The highest proportion of foundation subjects resided in the capital and other big cities. For example just in Prague existed 238 endowment funds. In small cities were situated mainly educational and health-social foundations. Otherwise the least number of subjects, mere 25, was in Carlsbad region. This NGO category is not the one with highest amount of employees. There were around 400 of people employed by them and they worked mainly for grant foundations placed in Prague. As we already know it is compulsory to register a height of foundation property. In the monitored year the total sum rose up to 3,387 million CZK. The property of endowment funds is created largely by money unlike foundations that invest into commercial instruments, real estates etc. As a matter of interest, the property of church foundations is created from 97 % by real estates. As far as incomes are concerned, foundations received more than 1,100 million CZK and funds around 250 million CZK. Donations and grants are the most considerable resources for subjects in Prague and Pardubice region.

### **Public Benefit Corporations<sup>89</sup>**

We are coming to the next type of NGO. The CNSR worked on this analysis one year after the first study and I am going to interpret its results as in the previous case. There exist few different possible founders of this kind of organizations and in 2003 more than ½ from total 904 PBCs was set up by natural persons. From the point of view of specific orientation the highest number is occupied with culture and art. Next to the main operation many organizations are providing also complementary performances. Very frequently they were stating business activities or intermediation of services. What can be a little unexpected is that according to the Czech Statistical Office (CSO) almost 3/5 of NGOs had no employees and just three had more than 100 of workers. The highest value of property was ascribed to the organizations founded by public administration or private business corporation. Interesting numbers were seen in the section „Incomes in 2003“. The total amount counted reached more than 1.6 milliard CZK and the most significant contribution to the final sum

---

<sup>88</sup>Processed from: Rosenmayer, T., a kol. (2004): Ekonomické výsledky nadačních subjektů v roce 2002. Centrum pro výzkum neziskového sektoru, Brno

<sup>89</sup>Processed from: Rosenmayer, T., a kol. (2005): Ekonomické výsledky obecně prospěšných společností v roce 2003. Centrum pro výzkum neziskového sektoru, Brno

was created by sales of own products and services. Corporations were also granted from public budget however the amount only slightly exceeded 550 million CZK and 2/3 from the total were heading to the registered schools.

### **Church Subjects<sup>90</sup>**

As this group of subjects is kind of specific in a sense that there are many it is not really easy to provide a clear summary. I have not spent a lot of time with basic description of this form and I am not going to do so either now. In 2004 there was registered a great number of church subjects reaching 3,285 with high diversification of their activities as from foundations of old people's houses, schools to asylums. The most employees and volunteers were employed in religious organizations and the average salary was around 12,000 CZK. Big church subjects had frequently in possession a tangible property and the lowest part of assets was held in cash.

### **Civil Associations<sup>91</sup>**

Here, similarly to the previous case, orientation of individual subjects is highly various and in 2004 there were altogether 54,800 of them. It can not be surprising that spare time activities were mostly the primary field of groups' activities, the second most popular were sport associations. Another fact was that people working for trade unions (concerned big organization unit) were receiving the highest average salary - more than 25,000 CZK. In comparison to it social and health care workers' income was not exceeding 10,000 CZK. When I mentioned trade unions it can be added that they owned the highest amount of property (331,846 thousand CZK) and got the largest revenue (23,796 thousand CZK), on average per one organization. On the other hand, who was spending by non-taxation expenditures the most were associations engaged with spare time activities, social and health care and sport. And for example units concerned with hunting spent on consumed purchases 90 % of total non-taxation expenses.

---

<sup>90</sup>Processed from: Rosenmayer, T. (2006): Ekonomické výsledky církevních subjektů v roce 2004, Centrum pro výzkum neziskového sektoru, Brno

<sup>91</sup>Processed from: Rosenmayer, T. (2006): Ekonomické výsledky občanských sdružení v roce 2004, Centrum pro výzkum neziskového sektoru, Brno

## Appendix 8 – List of Italian NPOs<sup>92</sup>

- Associazione riconosciute /Recognized Associations/ (artt. 14 ss. del c.c.)<sup>93</sup>
- Fondazioni riconosciute /Recognized Foundations/ (artt. 14 ss. del c.c.)
- Associazioni (e fondazioni) non riconosciute /Associations and Foundations Unrecognized/ (artt. 36 ss. del c.c.)
- Comitati /Committees/ (artt. 39 ss. del c.c.)
- Fondazioni e associazioni bancarie /Foundations and Banking Associations/ (L. 30.7.1990, n.21, D.Lgs. 20.11.1990, n.356)
- Organizzazioni di volontario /Voluntary Organizations/ (L. 11.08.1991, n.266)
- Cooperative sociali /Social Co-operatives/ (L. 08.11.1991, n.381)
- IPAB (Istituzioni di Pubblica Assistenza e Beneficenza) pubbliche e privatizzate /IPAB Public and Privatized/ (L. 17.7.1890, n.6972)
- Associazioni sportive /Sport Clubs/ (L. 16.12.1991, n.398)
- Associazioni senza fine di lucro /Non-profit Associations/ (L. 06.02.1992, n.66)
- Enti ecclesistici cattolici /Catholic Ecclesiastical Entities/ (L. 20.05.1985, n.222)
- Enti religiosi di altre confessioni /Religious Institutions of other faiths/
- ONG (Organizzazioni Non Governative) /ONG - Non-governmental Organizations/ (art. 28, L. 26.02.1987, n.49)
- Enti di promozione sociale /Entities of Social Promotion/ (art. 3, comma 6, L. 25.08.1991, n.287 e L. 07.12.2000, n.383)
- Enti lirici /Opera Companies/ (D.Lgs. 29.06.1996, n.367)
- Imprese cooperative /Enterprise Co-operatives/ (artt. 2511-2545 del c.c. e leggi speciali)
- Società di mutuo soccorso /Charity/ (L. 15.04.1886, n.3818)
- Centri di formazione professionale /Professional Organizations/ (L. 21.12.1978, n.845)
- Istituti di patronato / Institutes of Patronage/ (L. 30.3.2001, n.152, L. 27.3. 1980, n.112, DPR 22.12.1986, n.1017)
- ONLUS /NPO(Organizzazioni Non Lucrative di Utilità Sociale - D.Lgs. 4.12.1997, n.460)

---

<sup>92</sup>Propersi, A., (2004): Il sistema di rendicontazione negli enti non profit: Dal bilancio d'esercizio al bilancio di missione. Vita e Pensiero, Milano, I edizione, pag. 24

<sup>93</sup>In brackets are stated particular legal arrangements.

## **Appendix 9 - Organization Structure of Unrecognized Associations**

- It is a form that allows their members to join and leave the association freely (so called „open structure“). Its members are theoretically awarded rights with different weights, for example as far as contribution fees or voting rights are concerned. Nevertheless equal rights are preferred as certain tax advantages can arise. A (partial) autonomy is ensured by the mean of common fund. It is composed from members´ contributions which can be also purchased. A potential creditor of an association can also take an advantage of this fund.
- Pursuance of an association is financed mainly by members´ contributions, by support coming from a third party or by performance of some commercial activity (however limited)
- The administration of an association is delegated to one or more physical persons (members) who is/are elected by the members for limited period of time or predetermined the constitution of an organization.
- Dissolution of an association can be put into effect : expiry of a date stated in the clause; resolution of the General Meeting (if any); departure of all members. Anyway, potential remaining resources after dissolution should not be distributed among members but should be used for the purposes of an association or handed over to a public authority.

## **Appendix 10 – The Main Components of Committe**

- It represents a closed structure of relations. A committee aims to achieve its objectives by relying on the hard work of its founders (so called promoters). They are expected to succeed in fulfilment of goals in the same manner as they strived and managed to collect resources.
- The purpose must not be internal (= for mutual benefit of organization´s members) but, on the contrary, external.
- The committee has a right to determine both the birth of a new iniciative and the end of activity when the aim is completed. It can happen that committee notes that the goal is unreachable.

- Property is not collected by founders or members but from donations and contributions of external subjects (underwriters) who are considered to support the programmes.
- All members of a committee are personally and solidarily responsible for organization's actions. (Not only who act on behalf of an organization as it is in the case of unrecognized association).

## Appendix 11 – MAP: Italian Territories



- Northwest Italy ■ Northeast Italy ■ Central Italy ■ Southern Italy
- (■ Sicily ■ Sardinia)

## Resources

Šilhánová, H., et al. (1995); Socially-oriented non-profit organizations in the Czech Republic. Civil Society Development Foundation, Prague

Škarabelová, S. a kol. (2002); Když se řekne nezisková organizace ... Masarykova Univerzita v Brně, Brno

Šilhánová, H., et al. (1996): Basic Information about the Non-Profit Sector in the Czech Republic. Civil Society Development Foundation, second edition

Salamon, L. M., Anheier, H. K. (1997): Defining the nonprofit sector: A cross-national analysis. Manchester University Press, New York

Barbetta, G. P., (1997): The Nonprofit Sector in Italy. Manchester University Press, second edition (Copyright Lester M.Salamon, John Hopkins Comparative Nonprofit Sector Project)

Colombo, G. M., Setti, M., (2009): Contabilità e bilancio degli enti non profit, Wolter Kluwer Italia, V edizione

Borzaga, C., Defourny, J., (2004): The emergence of social enterprise. Italy. From traditional cooperatives to innovative social enterprises. Routledge, London (pages 170-171, 176)

Propersi, A., (2004): Il sistema di rendicontazione negli enti non profit: Dal bilancio d'esercizio al bilancio di missione. Vita e Pensiero, Milano, I edizione

## Working papers

Müller, J. (2000): The Economic Environment for the Civil Non-Profit Sector in the Czech Republic : Foundations and Assets. Material prepared for the Foundation Conference in June 2000, Brno

Vltavský, O. (2009): Charitativní loterie jako zdroj rozvoje činnosti NNO. Presentation for the European conference, the Ministry of Finance of the Czech Republic, available at <http://www.ngosustainability.eu/programme>

Ministerstvo pro místní rozvoj - Národní orgán pro koordinaci (2009): Nestátní neziskové organizace v programovém období 2007-2013, Aktuální stav čerpání nestátních neziskových



organizací, available at [http://evropskyrok.vlada.cz/assets/ppov/rnno/vybor-pro-eu/2008/zapis\\_V-U\\_12\\_02\\_2009\\_priloha\\_2.pdf](http://evropskyrok.vlada.cz/assets/ppov/rnno/vybor-pro-eu/2008/zapis_V-U_12_02_2009_priloha_2.pdf))

Sekretariát Rady vlády pro nestátní neziskové organizace, a kol.: Zhodnocení koncepce podpory rozvoje neziskového sektoru, available at <http://www.slideshare.net/InnovationTank/zhodnocen-koncepce-podpory-rozvoje-nno-sektoru>

Barbetta, G. P., (1993): Defining the Nonprofit Sector: Italy. The Johns Hopkins Institute for Policy Studies (edited by Salamon and Anheier), Baltimore, (*Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project*, no. 8)

Santuari, A., (2001): The Italian Legal System Relating to Not-For-Profit Organizations: Historical and Evolutionary Overview. The International Journal of Not-for-Profit Law Volume 3, (A quarterly publication of the International Center for Not-for-Profit Law, available at [http://www.icnl.org/KNOWLEDGE/ijnl/vol3iss3/art\\_4.htm#\\_ftn1](http://www.icnl.org/KNOWLEDGE/ijnl/vol3iss3/art_4.htm#_ftn1))

Barbetta (1997) and Pettinato, S., (1999): Legislazione tributaria ed enti „non profit“: appunti descrittivi ragionati sull'imposizione corrente del Terzo Settore. ISSAN Working Papers (8), Trento, available at <http://eprints.biblio.unitn.it/>

Cura di Gruppo di studio costituito tra Agenzia delle Entrate e gli altri, (2003): Come entrare nel mondo del non-profit – Guida pratica, available at [http://www.agenziaentrate.gov.it/ilwwcm/resources/file/ebc1bb4abc96a39/no\\_profit.pdf](http://www.agenziaentrate.gov.it/ilwwcm/resources/file/ebc1bb4abc96a39/no_profit.pdf))

Supporting Enlargement - What Does Evaluation Show? Ex post evaluation of Phare support allocated between 1999-2001, with a brief review of post-2001 allocations, available at [http://ec.europa.eu/enlargement/pdf/financial\\_assistance/phare/evaluation/consolidated\\_summary\\_report\\_phare\\_ex\\_post\\_eval.pdf](http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/consolidated_summary_report_phare_ex_post_eval.pdf)

Rosenmayer, T., a kol. (2004): Ekonomické výsledky nadačních subjektů v roce 2002. Centrum pro výzkum neziskového sektoru, Brno

Rosenmayer, T., a kol. (2005): Ekonomické výsledky obecně prospěšných společností v roce 2003. Centrum pro výzkum neziskového sektoru, Brno

Rosenmayer, T. (2006): Ekonomické výsledky církevních subjektů v roce 2004, Centrum pro výzkum neziskového sektoru, Brno

Rosenmayer, T. (2006): Ekonomické výsledky občanských sdružení v roce 2004, Centrum pro výzkum neziskového sektoru, Brno

## **Internet resources**

<http://neziskovky.cz/cz/fakta/neziskovy-sektor-v-cr/typy/>

[http://www.e-cvns.cz/soubory/3Prehled\\_legislativy-2009.pdf](http://www.e-cvns.cz/soubory/3Prehled_legislativy-2009.pdf)

<http://portal.gov.cz/>

[http://portal.gov.cz/wps/portal/\\_s.155/17236?ks=1607&docid=104751](http://portal.gov.cz/wps/portal/_s.155/17236?ks=1607&docid=104751)

<http://www.mfcr.cz/>

<http://nno.ecn.cz/>

<http://www.nros.cz/>

<http://www.nadacevia.cz/>

[http://ec.europa.eu/regional\\_policy/funds/ispa/ispa\\_en.htm](http://ec.europa.eu/regional_policy/funds/ispa/ispa_en.htm)

<http://eagri.cz/public/eagri/dotace/dobihajici-a-ukoncene-dotace/sapard/>

<http://www.strukturalni-fondy.cz/>

[http://ec.europa.eu/regional\\_policy/atlas2007/czech/](http://ec.europa.eu/regional_policy/atlas2007/czech/)

<http://www.e-cvns.cz/>

<http://www.vlada.cz/scripts/detail.php?pgid=332>

<http://www.vlada.cz/scripts/detail.php?pgid=332>

<http://www.dkc.cz>

<http://www.dkc.cz/knihovna.php>

<http://www.icnl.org/>

<http://www.ccss.jhu.edu/>

[http://www.agenziaentrate.gov.it/ilwwcm/resources/file/ebc1bb4abc96a39/no\\_profit.pdf](http://www.agenziaentrate.gov.it/ilwwcm/resources/file/ebc1bb4abc96a39/no_profit.pdf)

<http://www.istat.it/istituzioni/associazioni/>

<http://www.abio.org/>

<http://www.savethechildren.org/>

[http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/tiskove\\_zpravy\\_29897.html?year=2007](http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/tiskove_zpravy_29897.html?year=2007)

[http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/pom\\_eu\\_ukonprogr\\_ispa.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/pom_eu_ukonprogr_ispa.html)

[http://ec.europa.eu/agriculture/external/enlarge/back/index\\_en.htm](http://ec.europa.eu/agriculture/external/enlarge/back/index_en.htm)

<http://www.strukturalni-fondy.cz/Programy-2004-20067>

UNIVERSITAS CAROLINA PRAGENSIS  
založena 1348

Univerzita Karlova v Praze  
Fakulta sociálních věd  
Institut ekonomických studií



Opletalova 26  
110 00 Praha 1  
TEL: 222 112 330,305  
TEL/FAX:  
E-mail:  
[ies@mbox.fsv.cuni.cz](mailto:ies@mbox.fsv.cuni.cz)  
<http://ies.fsv.cuni.cz>

Akademický rok 2008/2009

## TEZE BAKALÁŘSKÉ PRÁCE

Student:	Petra Novotná
Obor:	Ekonomie
Konzultant:	PhDr. Jiří Kameníček CSc.

Garant studijního programu Vám dle zákona č. 111/1998 Sb. o vysokých školách a Studijního a zkušebního řádu UK v Praze určuje následující bakalářskou práci

Předpokládaný název BP:

**Neziskové organizace**

Charakteristika tématu, současný stav poznání, případné zvláštní metody zpracování tématu:

Ve své bakalářské práci bych se chtěla zaměřit na neziskové organizace (NO) - způsoby založení, řízení a fungování.

V souvislosti s aktuálním tématem finanční krize se chci zabývat změnami či problémy v oblasti financování NO. Mé poznatky bych ráda podložila příklady fungujících NO zabývajících se vzdělávacími a veřejně prospěšnými činnostmi.

Protože jsem při svém pobytu v Itálii měla možnost seznámit se s jednou z nejznámějších tamějších NO, poslední část chci věnovat porovnání vybraných NO v Itálii a České republice ( zda existují zásadní rozdíly ve způsobu chování, financování NO).

Struktura BP:

1. Neziskové organizace (NO)
  - 1.1. Úvod + historie
  - 1.2. Způsoby vzniku
  - 1.3. Způsoby řízení
  - 1.4. Chování ( porovnání se ziskovými organizacemi)
  - 1.5. Aplikace v praxi - Včelařské vzdělávací centrum, o.p.s.  
- Pestrá společnost, o.p.s.

2. Financování NO
  - 2.1. Všeobecný úvod
  - 2.2. Problémy způsobené finanční krizí a jejich možná náprava
  - 2.3. Praktické příklady
3. Italské NO
  - 3.1. Úvod
  - 3.2. Porovnání s českými NO - hlavní rozdíly
  - 3.3. Praxe : AIL
4. Závěr
  - 4.1. Celkové shrnutí

Seznam základních pramenů a odborné literatury:

**Dollery, Brian E.; Wallis, Joe L.,** *The Political Economy of the Voluntary Sector - 1. vydání* - UK : Edward Elgar Publishing Limited, 2003

**Vittadini, G.,** *Liberi di scegliere - 1.vydání* - Milano : RCS Libri S. p. A., 2002

**Barbetta, Gian P.,** *The Nonprofit Sector in Italy - 1.vydání* - UK : Manchester University Press ND,1997

**Anheier, Helmut K.; Toepler, S.,** *Private funds, public purpose - 1.vydání* - NY : Springer, 1999

**Weisbrod, Burton A.,** *The Nonprofit Economy - 3. vydání* - NY : Harvard University Press, 1994

Materiály poskytnuté organizací : Včelařské vzdělávací centrum, o.p.s.; Pestrá společnost, o.p.s.

Datum zadání:	červen 2009
Termín odevzdání:	červen 2010

Podpisy konzultanta a studenta:

V Praze dne