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INTRODUCTION

Over the last twenty years the third sector, which covers the activities of non-profit and non-governmental organisations, has gradually become one of the main channels through which welfare and employment services are provided in Europe¹. The sector's overall income has steadily increased² and its share of employment in some Member States is now considerable. The most up-to-date figures available are not particularly recent (2002/03), which highlights the paucity of data on the sector. Nevertheless, these data indicate that nearly 6% of paid employment in the EU25 was in the third sector, with levels reaching 9% or

¹ Ranci, C. (2002), 'The Mixed Economy of Care in Europe', in U. Ascoli and C. Ranci (eds.), *Dilemmas of the Welfare Mix: The New Structure of Welfare in an Era of Privatisation* (New York: Kluwer).

² For example, in the United Kingdom third sector income was £ 33.2 billion in 2006/07, up 3.3% from the previous year. £ 12 billion of this was income from statutory sources. Source: Clark, J., J. Dobbs, D. Kane and K. Wilding (2009), *The State and the Voluntary Sector: Recent Trends in government Funding and Public Service Delivery* (London: NCVO).

more in Ireland and the Netherlands³. Although the bulk of third sector activities are traditionally taken up by social care, education and culture and recreation⁴, the work integration of hard-to-place unemployed people is another area in which the voluntary sector is well established. Just in France, for instance, there were over 2,300 registered structures providing work integration services through public schemes in 2004⁵.

Unsurprisingly, given its role in combating social exclusion and increasing importance in the provision of social services, the third sector has for some time attracted the interest of European Union (EU) institutions. The European Parliament has entertained a close relationship with the not-for-profit sector since the 1980s⁶, while the European Council has acknowledged the increasing role of the sector since 2000 by calling on NGOs to act as partners in the implementation of the Lisbon Strategy goals⁷. However, the prime target (and main source of funding) for third sector groups active on environmental, consumer and social issues at the EU level has long been the European Commission. The Platform of European Social NGOs, also known as the 'Social Platform', has emerged as the de facto forum for bringing together third sector organisations active in the social and employment field and Commission officials on a regular and structured basis⁸.

Recently, the launch of the Europe 2020 strategy has put renewed emphasis on employment policy goals, such as raising employment rates, improving skills levels and combating social exclusion. As the primary policy implementers in the labour market, Public Employment Services (PES) have a key role to play in achieving the targets set out in the strategy. However, they do not work alone in the market: private employment services and third sector employment services also have a critical role to play and it is important to understand what all actors in the field are doing, how they operate and who they are working with, in order to develop synergies and improve coordination and, ultimately, deliver on the agreed policy targets.

As part of this process, the European Commission is aiming to broaden its dialogue with all employment service actors – PES, private employment agencies (PREAs) and third sector employment services (TSES). As background to developing dialogue with the TSES, this paper sets out to explore the ways in which employment services provided by third sector organisations can contribute to raising employment levels through their work on inclusion and employment promotion among the vulnerable groups that they represent. In order to do this it is important to understand the role of TSES and where their services fit into the overall provision of employment-related services. To what extent are they providing services for groups that would otherwise not receive any assistance? To what extent is there co-operation between TSES, PES and other actors?

For the purposes of this study, 'employment' is taken to mean anything that constitutes a work experience (including internships) in the open labour market. The focus is not on the third sector as an employer, but rather as provider of different kinds of services for job insertion. The information presented here has been gathered through the analysis of secondary and primary documentary sources (academic literature, key policy documents, position papers). In addition, a questionnaire was circulated to relevant Social Platform member organisations in order to collect whatever structured information, comments and observations they

³ CIRIEC (2007), 'The Social Economy in the European Union', Report to the European Economic and Social Council (EESC), <http://www.socialeconomy.eu.org/spip.php?article420>.

⁴ Kendall, J. and M. Knapp (2000), 'The Third Sector and Welfare State Modernisation: Inputs, Activities and Comparative Performance', *Civil Society Working Papers* 14, London School of Economics and Political Science.

⁵ Defourny, J. and M. Nyssens (2008), 'Social Enterprises in Europe: Recent Trends and Developments', *EMES Working Paper* 08/01.

⁶ Kendall, J. (2003), 'Third Sector European Policy: Organisations between Market and State, the Policy Process and the EU', Unpublished paper.

⁷ European Council (2000), *Presidency Conclusions, Lisbon European Council, 23 and 24 March 2000*, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100-r1.en0.htm.

⁸ Geyer, R. (2001), 'Can EU Social NGOs Co-operate to Promote EU Social Policy?', *Journal of Social Policy* 7(4): 632-649.

might have. It is worth noting, however, that there are considerable limitations regarding the availability of comparable, cross-country data on the activities of third sector organisations in the field of employment and these are highlighted where relevant.

THE THIRD SECTOR AS A SERVICE PROVIDER

Broadly defined, the third sector comprises all private, non-profit distributing organisations, regardless of whether their aim is advocacy, redistribution or the provision of goods and services. The services offered range from ensuring access to basic support (social, educational and health-related) for local communities, including people who are unable to pay for those services, to creating new employment and favouring the labour market integration of all manner of groups of disadvantaged people. Third sector service providers are akin to what the relevant academic literature has dubbed 'social enterprises'⁹, thereby borrowing a term that was coined in Italy in the early 1990s (*impresa sociale*). At the time, this expression was used to designate the legal form of 'social cooperative' that was allowed by legislation adopted in 1991. Many other Member States have since then passed laws to promote social enterprises¹⁰.

Thanks to generally favourable national legislative frameworks¹¹, third sector service providers have been thriving in Europe. The emergence of their role is said to be linked to an increasing distrust for market solutions and the appearance of new social demands on public services, which are increasingly perceived as inefficient^{9,12}. On the one hand, past experience suggests that chronic vulnerability to the economic cycle and to the vagaries of financial markets disproportionately affects the most vulnerable groups in society. On the other hand, recent years have seen a wide diversification of social demands on welfare systems prompted by changing patterns of behaviour and lifestyles. Traditionally under-represented groups – women, the disabled, older workers, ethnic minorities – are now entering labour markets in larger numbers than ever before, prompted by the new emphasis that public policies have placed on 'activation' at the expense of 'passive' income support. All this has resulted in demands for more, rather than less, support at a time of tightening welfare budgets, which has effectively nurtured the perception that public authorities are unable to deliver services that match user expectations and the aspirations of citizens.

Whilst the state and private for-profit companies do offer a range of services, these are likely to be of less than the desired quality for some groups (this is often true for uniform public services) or, as a result of their price, will not be affordable to all those who need them (as is often the case with market provision). Self-organisation by citizens, instead, is said to have the potential to deal with problems arising from income inequality and social exclusion more effectively and efficiently than public or for-profit bodies⁹. Voluntary organisations working on the ground tend to have more accurate information on local needs and demands than policy-makers at the centre. Moreover, by relying largely on voluntary work and charitable donations, the third sector can deliver results in a less costly manner than private firms or state authorities. Lastly, by promoting participation in public and community life, third sector activities engender trust, diffuse civic values and build up social capital¹².

Public authorities in the Member States have, thus, found it increasingly expedient to support the voluntary sector as a service provider. Third sector organisations generally provide a necessary complement to both

⁹ UNDP (2008), *Social Enterprise: A New Model for Poverty Reduction and Employment Generation*, <http://europeandcis.undp.org/poverty/show/2F171313-F203-1EE9-B687694A1F8C9AEC>.

¹⁰ Defourny, J. and M. Nyssens (2008), 'Social Enterprises in Europe: Recent Trends and Developments', *EMES Working Paper* 08/01.

¹¹ Salamon, L. M. and S. Toepler (2000), 'The Influence of the Legal Environment on the Development of the Non-Profit Sector', *Centre for Civil Society Working Paper Series* 17, Johns Hopkins University.

¹² Kendall, J. and M. Knapp (2000), 'The Third Sector and Welfare State Modernisation: Inputs, Activities and Comparative Performance', *Civil Society Working Papers* 14, London School of Economics and Political Science.

public and private for-profit provision of basic welfare services, so that scholars have come to describe the emergence in Europe of a veritable ‘welfare mix’¹³, made of shared responsibilities among various types of providers.

Different national traditions persist: in countries such as Germany, Belgium, Ireland and the Netherlands, the tradition of subsidiarity was central, especially with regard to Church-related initiatives. The tradition of philanthropy (charities, the community sector, etc.) is particularly prominent in the United Kingdom (UK). By contrast, the state tends to act as the main social services provider in the Scandinavian countries and, to a lesser extent, in Italy.

This notwithstanding, contacts between the public and the third sector in this field have intensified virtually everywhere¹⁴. New forms of partnership have been set up, whereby the state increasingly focuses on its regulatory function while ‘outsourcing’ the delivery of personal services. On the one hand, public authorities (usually at the local level) frequently decide to ‘privilege’ social enterprises in the award of public contracts. This can be done, for instance, by introducing in the award criteria social clauses regarding the integration of disadvantaged workers or a requirement to make services available to specific target groups¹⁵. Alternatively, public funds can be allocated through the development of voucher systems, whereby clients can choose among different providers. This creates a sort of quasi-market where public, for-profit and not-for-profit bodies compete to provide personal services.

The third sector’s share of the market for personal services is now considerable. In the field of social care services, for instance, the third sector today constitutes the main official provider in Europe¹⁶. Within the vast range of activities in which third sector service providers are engaged, those aiming at the job-insertion of people experiencing difficulties in the labour market traditionally represent a relatively small part. For instance, in 2007 the UK Department of Work and Pensions was the source of less than 5% of all central government spending on the third sector in the country¹⁷. Nevertheless, in times of high unemployment such activities necessarily become of particular interest. The work integration of hard-to-place unemployed persons is indeed one of the areas where collaboration between the state and the third sector has developed the most in recent years. This cooperation has taken many forms – from ‘type-b social cooperatives’ in Italy to ‘social cooperatives of general interest’ in France and ‘social enterprises’ in the UK¹⁸. The identification of the third sector with this kind of activity is such that in countries like Germany, Belgium, Ireland, Portugal or, more recently, Sweden, the concept of ‘voluntary sector’ or ‘social economy’ is taken by public authorities to mean little more than work integration initiatives. This is also true in Poland, whose voluntary organisations dealing with employment have greatly benefited from EQUAL financial support in the past¹⁴.

The next section looks at the activities and characteristics of third sector organisations providing employment services in more detail. Following the advice of Social Platform members, the denomination ‘Third Sector Employment Services’ (TSES) was preferred to ‘social employment services’ or ‘work integration social

¹³ See, for instance, Ascoli, U. and C. Ranci (eds.) (2002), *Dilemmas of the Welfare Mix: The New Structure of Welfare in an Era of Privatisation* (New York: Kluwer)

¹⁴ Defourny, J. and V. Prestoff (2008), ‘Images and Concepts of the Third Sector in Europe’, *EMES Working Papers* 08/02.

¹⁵ Defourny, J. and M. Nyssens (2008), ‘Social Enterprises in Europe: Recent Trends and Developments’, *EMES Working Paper* 08/01.

¹⁶ Ranci, C. (2002), ‘The Mixed Economy of Care in Europe’, in U. Ascoli and C. Ranci (eds.), *Dilemmas of the Welfare Mix: The New Structure of Welfare in an Era of Privatisation* (New York: Kluwer): p.30.

¹⁷ NCVO (2007), *Estimates of Government Funding to the Third Sector: Experimental Statistics*, A Report by the National Council for Voluntary Organisations for the ONS.

¹⁸ Nyssens, M. (ed.) (2006), *Social Enterprise – At the Crossroads of Market, Public Policy and Civil Society* (London and New York: Routledge).

enterprises' (WISEs)¹⁹. The target groups, forms of support and types of resources available to these organisations is reviewed and then used as the basis for a mapping of Social Platform member organisations that is attempted later in the paper.

THIRD SECTOR EMPLOYMENT SERVICES: REMIT, RESOURCES AND SERVICE PROVISION

TSES are supplied by autonomous, not-for-profit organisations whose main objective is the job insertion of people experiencing serious difficulties in the labour market. As said above, these organisations take a range of different forms in different Member States, target different groups of potential beneficiaries, offer different services and tap into different kinds of resources. The following provides an overview of the last three points (target groups, kinds of services, resources).

Two main categories of **target groups** for TSES can be identified in Europe: disabled people and able-bodied job-seekers with serious integration problems²⁰. Nearly a third of all third sector organisations active in this field deal with the work integration of **disabled persons**. The services offered and the jobs found must, as a matter of course, be adapted to the physical, mental or sensory disabilities affecting beneficiaries. The terms 'sheltered workshops' or 'sheltered jobs' are often used to underline the fact that working rules are more flexible and productivity expectations directly related to individual capacity.

Equally, various sub-groups can be distinguished among **people with serious integration problems**:

- **Job-seekers with serious professional and social handicaps.** These may have a history of alcoholism, drug use, family breakdown and criminal records and be subject to a persistent social stigma as a result. They tend to experience serious difficulties with job insertion, whatever their previous experience and level of qualifications;
- **'Hard to place' and long-term unemployed.** These are people who have been inactive for a number of years (generally two to five) and have a low level of qualifications. Other long-term unemployed are included in this group, whatever their level of skills;
- **Young low-qualified job-seekers.** These tend to be school drop-outs who become unemployed at an early age. Their job integration generally requires further training, be it 'structured' or 'on-the-job' (see below);
- **Job-seekers from disadvantaged minorities.** People in this sub-group belong to minority groups, especially ethnic minorities, and experience a number of disadvantages in accessing the labour market (knowledge of the local language, lack of training, and so on). Some third sector organisations help these groups by providing their members with jobs and/or training;
- **Unemployed women.** In most countries there are groups of women that are at particular risk of being marginalised in the labour market and there are third sector organisations that work specifically to help these women. In some cases efforts may be targeted at particular groups of women such as victims of domestic violence or single mothers but others work with disadvantaged women in general, which can include young or low-educated women, the long-term unemployed or inactive, etc.

¹⁹ See, for instance, Davister, C., J. Defourny and O. Gregoire (2004), 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models', *EMES Working Papers* 04/04.

²⁰ Davister, C., J. Defourny and O. Gregoire (2004), 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models', *EMES Working Papers* 04/04.

Although it is useful to keep these groups analytically separate, it must be pointed out that they often overlap. For instance, unemployed women may belong to ethnic minorities and/or be young and have little or no qualifications. In any case, most third sector service providers work with more than one target group at the same time.

As regards the **kinds of services** offered to support the job integration of the above targets, a fundamental distinction should be made between the third sector as an employer and as a service provider. The role of the third sector as an 'employer of last resort' has been increasingly debated since the 1990s. Third sector bodies, active in particular in the area of social and health services, now employ significant numbers of people belonging to under-represented groups in the labour market (younger workers, older workers, women, migrants). Employment in this sector has grown relentlessly in recent years, so that it currently represents nearly 10% of the European workforce. As many as 3.3 million new jobs were created in social/health services alone between 2000 and 2007. This seems to point to good prospects for further growth in third sector employment in the future. However, the downside of this is the diffusion of fixed-term contracts, non-standard working hours and low hourly earnings, which are at least partly due to the project-based organisation of third sector work.

Be that as it may, this study is rather concerned with the third sector as a provider of services enabling access to employment opportunities (which is taken to mean any job experience, including internships, in the open labour market) and thus complementing or filling gaps in the delivery of Member States' employment policies. To be more precise, the employment services offered by the third sector (TSES) generally fall under the following three categories²¹:

- **Information, counselling and orientation services.** TSES offer information and guidance to their clients on issues such as national legislation/administrative procedures and available opportunities for training/job experience. They often supply training on basic skills, such as language, social and presentation skills;
- **On-the-job or structured vocational training.** TSES make clients aware of training opportunities and help them to access courses provided either by themselves or by external bodies (public or private training agencies, firms). 'On-the-job' training is a means of quickly helping the worker to acquire the skills that are necessary for a specific job while already working in a company. It is generally of short duration and often provided by more experienced colleagues. Structured training, by contrast, explicitly aims to improve the level of qualifications and general skills (IT, languages, manual skills) of job-seekers, with a view to increasing their employability on the market. This kind of training tends to take longer (even several months) and involve specialised trainers (within or without a given company).
- **Job-matching and job experience.** TSES seek out work opportunities for their clients, typically with other third sector bodies, public authorities or private firms. Contract types cover a broad range of possibilities, from internships, part-time, temporary and subsidised work, to full-time, open-ended and non-subsidised jobs. In some cases, support and incentives are offered to develop entrepreneurship and help business start-ups.

The aim of these services is not just work integration *per se*. Counselling, training and work experience are, oftentimes, primarily a channel for the (re)socialisation of individual clients. This applies, in particular, to people with disabilities and those with serious social and health-related problems (alcoholics, drug addicts, people with mental illnesses, ex-prisoners, and so forth).

²¹ The following is broadly based on Davister, C., J. Defourny and O. Gregoire (2004), 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models', *EMES Working Papers* 04/04.

It is also worth pointing out that cooperation and integration with PES and other public and private actors has become an essential feature of the work of TSES. The individualisation of employment services and the increasing linkages among different types of services (employment, health, conciliation and care, social assistance, etc.) require the integration and coordination of several different actors, especially at the local level. Cooperation and integration of goals and actions has become all the more essential as a result of the current crisis, since the PES are confronted with tremendous pressure as a result of growing numbers of clients alongside budget restrictions. The forms that this cooperation takes are discussed in the last section.

Finally, TSES mobilise various **types of resources** to finance their activities. The main (monetary and non-monetary) resources TSES tap into can be listed as follows²²:

- **Market resources** coming from the sale of goods and services in the open market or under contractual arrangements with public authorities;
- **Non-market resources** in the form of subsidies or indirect support coming from public policies adopted at the European, national or local level. The value of these resources and the criteria for the granting of public subsidies varies greatly from country to country;
- **Donations** from members, other citizens or legal entities, such as foundations;
- **Voluntary work**, which can be found at various levels: among board members (nearly always), among trainers or guidance staff (less often) or through more specific contributions of professional skills of different kinds (legal/psychological counselling, for instance);
- **Social capital**, in the form of local networks and partnerships, trust relations with other operators, sympathy from the general public, etc. These 'soft' resources are difficult to quantify, though they can help significantly to reduce the costs of carrying out TSES activities (smoother cooperation, respect for contractual relations, favourable prices for services, etc.).

These three dimensions (targets, services and resources) serve as a basis for the mapping of TSES that is attempted in the next section.

MAPPING THIRD SECTOR EMPLOYMENT SERVICES IN THE EU

This last section presents the results of efforts made to develop a preliminary mapping of TSES. The exercise is necessarily only partial, since the analysis is based on questionnaire responses provided on a voluntary basis by a limited number of third sector organisations. The questionnaire was sent to thirteen Social Platform member organisations²³, selected on the basis that they were the most likely to offer relevant services (i.e. services related to the job-insertion of their target groups). Responses were received from eight

²² See Davister, C., J. Defourny and O. Gregoire (2004), 'Work Integration Social Enterprises in the European Union: An Overview of Existing Models', *EMES Working Papers* 04/04.

²³ Information on the Social Platform can be found here: http://www.socialplatform.org/Page_Generale.asp?DocID=8144. The thirteen member organisations selected for the survey were: the European Older People's Platform (AGE); the European Confederation of Workers' Cooperatives, Social Cooperatives and Participative Enterprises (CECOP); the European Anti-Poverty Network (EAPN); the European Association of Service Providers for Persons with Disabilities (EASPD); the European Blind Union (EBU); the European Platform for Rehabilitation (EPR); the European Women's Lobby (EWL); the International Federation of the Christian Associations of Italian Workers (FAI); the European Federation of National Organisations Working with the Homeless (FEANTSA); the European Region of the International Lesbian and Gay Association (ILGA Europe); the European Association of Societies of Persons with Intellectual Disability and their Families (INCLUSION EUROPE); Workability Europe; European Youth Forum (YFJ).

organisations²⁴, three of which asked individual national providers to complete the questionnaire, thereby further narrowing the representativeness of the information.

The exercise constitutes a first attempt to gather structured and comparable information on the role of EU TSES in the provision of employment services. To the authors' knowledge, no study of this kind has been conducted to date²⁵. In presenting the results, it should be qualified that the information is mostly qualitative and should not be considered as being representative of the entire range of relevant services, target groups, types of resources that TSES provide. The questionnaire responses were of variable quality and, in some cases, quite incomplete, one of the problems being that since Social Platform members are European-level representatives of national service providers, they often have quite limited information about the specific activities of their national affiliates on the ground. Some of the more detailed data were offered by national service providers but these then reflect the actions of those individual organisations and there is no way of knowing at this stage the extent to which these are representative of other organisations in their sectors of activity.

What follows, therefore, does not purport to be representative of all TSES activities in the provision of employment services, rather it gives an indication as to some of the types of activities that go on and provides a basis for further research. In particular, the implications drawn from the results of the survey should be seen as hypotheses to be tested rather than firm conclusions. These will concern, especially, the potential contribution of TSES to the work of the PES and to reaching the employment-related targets of the Europe 2020 strategy.

Targets and Service Provision

Respondents to the questionnaire cover a range of third sector organisations: from European umbrella organisations representing thousands of national affiliates and millions of potential beneficiaries, to relatively small local service providers engaging in specific activities. The eight Social Platform members that responded to the questionnaire were AGE; EAPN; EASPD; EPR; EWL; FEANTSA; Workability Europe; YFJ but, as mentioned above, three of these (EAPN, AGE and EPR) passed the questionnaire on to national providers: *Solidarités Nouvelles face au Chomage* (SNC) from France (member of EAPN); *Associazione Lavoro over 40* (LO40) from Italy (member of AGE); *Centro de Reabilitação Profissional de Gaia* (CRPG) from Portugal and the *University Rehabilitation Institute* (URI) from Slovenia (both members of EPR). In order to avoid confusion, the names of these national providers are used in the assessment instead of their European umbrella organisations.

Target groups for the responding organisations fall broadly into the categories identified earlier:

- **Disabled people** (EASPD, CRPG, URI, Workability Europe);
- **Job-seekers with serious social handicaps**, such as the homeless (FEANTSA);
- **Hard-to-place job-seekers**, such as long-term unemployed (SNC) and older workers (LO40);
- **The young** (YFJ);
- **Unemployed women** (EWL).

²⁴ The organisations that responded to the questionnaire were: AGE; EAPN; EASPD; EPR; EWL; FEANTSA; Workability Europe; YFJ.

²⁵ The EMES network's work on WISEs, which has been widely cited above has a broader remit – it does not draw a line between supply- and demand-side TSES (see above) – and, at the same time, does not cover all the aspects that this study does – for instance, the relationship with other labour market actors.

In general, the TSES respondents provide services only to their particular target group (see list above) and do not specifically aim to service other relevant target groups or sub-groups, such as ethnic minorities. On the other hand, YFJ takes a broad view on 'the young' as a target group and works not only with out-of-work young job-seekers, but also offers employability-enhancing services to young people still in education (more of a preventative approach).

The range of services offered by the TSES covered by the survey is extensive. Many fall under the broad types that were identified on the basis of the literature:

- **Information, counselling and orientation** – profiling of clients (CRPG, URI), market analyses aimed to identify sectors with growing labour demand, free-of-charge counselling on administrative and legal practices (LO40), orientation and definition of future professional paths, job search support including CV writing, self-presentation skills and mock interviews (FEANTSA);
- **Vocational training** – most respondents organise training or re-training courses, often in partnership with specialised training institutes (EASPD, CRPG, URI, FEANTSA, LO40). These may be aimed to qualify trainees for a specific function (e.g. typing, data entry) or to prepare them for a specific profession (e.g. nurse, carpenter).
- **Job-matching and job experience** – TSES mediate with employers in order to facilitate access to employment or return to work. Some organise career days, job fairs and internship opportunities whereby job-seekers have opportunities to meet and talk with local employers (YFJ). Some advertise job vacancies transmitted to them directly by employers (LO40). Some promote drop-in work²⁶ and short-term job placements as a first step into employment (FEANTSA). Others put in place programmes to foster the transition from sheltered employment to the open labour market (Workability Europe). Others still support entrepreneurship and business start-ups (LO40, FEANTSA). Personalised services for the job insertion of the long-term unemployed, including paying part of the beneficiaries' salary, are provided for by SNC. EPR affiliates such as CRPG also offer follow-up services on job placements in order to facilitate, in partnership with employers, job retention and the career progression of beneficiaries.

However, a range of other services were also reported, which do not naturally belong to any of the previously identified categories but can instead be considered as an additional category of personal empowerment and life-skills training:

- **Personal empowerment and life-skills training** – some of the potential beneficiaries of TSES need to develop skills to live independently and adapt to the requirements of a regular job. This applies, in particular, to the young, the very long-term unemployed and people with serious social handicaps. Youth organisations, for instance, aim to offer non-formal education by involving young people in active citizenship and personal development initiatives. The ultimate goal is to promote young people's self-confidence by helping them to acquire problem-solving, communication and leadership skills. Psychological support, counselling and coaching services are also offered to older workers (LO40) and disabled job-seekers (CRPG, URI, EASPD). Associations working with the poor train people with long experience of homelessness or sleeping rough to settle back into their community, develop communication skills, build self-esteem and the confidence to search for a job and support themselves. None of these services are explicitly directed at job insertion, but they aim to build up skills necessary for active participation in society. Moreover, these are services that are perhaps not so well catered for by other labour market actors, including PES.

²⁶ These are work opportunities offered on a drop-in basis. People interested in working for a few hours can just go to the service, work according to their capacities and receive an immediate payment ('cash on the nail'). These initiatives work particularly well for people with limited ability to respect strict and regular working hours, such as drug addicts or persons with mental health problems.

The findings of the survey with respect to target groups and types of services provided are summarised below. Table 1 shows incomplete coverage of the target groups identified in the literature as clients of third sector organisations, with none of the responding organisations dealing with unemployed women or disadvantaged minorities. Although EWL is dedicated to the promotion of women's rights and the equality between women and men, responses to the questionnaire clearly suggest that it concentrates on advocacy and networking activities and does not provide any of the employment services considered here. On the other hand, the information collected has identified an additional type of service, which has been dubbed 'personal empowerment and life-skills training'. As mentioned above, empowerment services do not aim to push beneficiaries directly into employment. Rather, they help to develop basic social skills and offer the psychological support that is often needed by the most vulnerable segments of the labour force as preparation for work and independent living.

Table 1 - Target groups and types of employment services offered by TSES

Target Groups Services	Disabled people	Job-seekers with serious social handicaps	Hard-to-place	The young	Disadvantaged minorities	Unemployed women
Information, counselling and orientation	CRPG, URI	FEANTSA	LO40			
Vocational training	EASPD, CRPG, URI	FEANTSA	LO40			
Job-matching and job experience	Workability Europe	FEANTSA	LO40, SNC	YFJ		
Personal empowerment and life-skills training	EASPD, CRPG, URI	FEANTSA	LO40	YFJ		

Only a few of the organisations covered offer employment services as their core business (Workability Europe, for instance). In some cases, employment services are just a spin-off of their main activities (YFJ). In most other cases, clients are offered a wide range of support – e.g. healthcare, shelter, psychological support and mentorship, advocacy vis-à-vis public authorities – and employment is the main focus only for some of their national affiliates (AGE, EAPN, EASPD, EPR, and FEANTSA). In one case (EWL) not enough information was provided to determine whether employment service provision is a concern at all. Broadly speaking, however, it can be concluded that, compared to other labour market actors (PES, PREAs, social partners), TSES work within the framework of a wider set of goals, ranging from social inclusion to health and active citizenship.

Resources and the impact of TSES actions

The questionnaire respondents are all not-for-profit organisations which support their activities by tapping into a number of different resources, the main types of which have been reviewed above. In relation to the provision of employment services in particular, the survey reveals that:

- Recourse to **market resources** coming from the sale of goods and services is infrequent. The only respondent to provide figures is CRPG (the Portuguese affiliate of ERP), which estimates that about 23% of its revenue derives from the provision of technical support, consultancy services, and the sale of wooden products. Most other respondents rule out relying on the open market for funds (LO40, SNC, EASPD, Workability Europe);
- **Non-market resources** in the form of subsidies or indirect support from public authorities are, reportedly, the main source of funding for TSES. This comes mainly from the award of funds for project work (LO40, EASPD, CRPG, URI, FEANTSA, Workability Europe). In Member States such

as France, the state supports TSES by allowing recourse to atypical contracts (*contrats aidés*) with a lower level of social charges on employers, which make it easier to hire job-seekers belonging to vulnerable groups;

- Finally, all respondents reported receiving membership fees and **donations** from members and other private entities. Also, all of them resort, to a large extent, on unpaid **voluntary work**.

Different organisations adopt different mixes of the above resources depending on their goals and the national regulatory frameworks in which they operate. In general terms, however, third sector organisations offering services to promote the integration of target groups in the open labour market (i.e. the organisations/services that are the object of this study) primarily support themselves with resources coming from the award of public contracts for specific projects. Conversely, third sector organisations that employ disadvantaged groups (i.e. where the third sector is the employer), such as 'social cooperatives' in Italy, tend to draw resources from the income of the services they provide.

It is very difficult to quantify the importance of TSES in terms of resources relative to other third sector activities. The only respondent that ventures an estimate, CRPG, reports a very low figure (4% of all public funding it receives). Interestingly enough, this is confirmed by the few national data available on the issue. For instance, the UK Department for Work and Pensions is the source of no more than 4.7% of all central government spending on the third sector in the country²⁷.

As for the outputs of TSES activities, although reporting on the employment outcomes of project participants is generally mandatory in the case of public funding, the European organisations that responded to the questionnaire were unable to provide overall figures concerning their national affiliates. Only two of the respondents, both national organisations, were in a position to give some data. These are quoted below without any claim to be representative:

- CRPG claims a job placement rate of 43% (with peaks of 65% on specific employment support programmes) out of a total of 2,417 clients in 2009;
- SNC reports taking charge, on average, of 1,300 persons per year. Support generally lasts just over one year and, in about 70% of cases, leads to the beneficiary finding new employment, being involved in training or starting his/her own business.

Cooperation and complementarities with other labour market actors

Respondents generally approve of the Europe 2020 strategy's emphasis on 'inclusive growth'. The raising of employment rates and the target for reduction of poverty are at the heart of their concerns and are welcomed as an important political sign on the part of the EU. Nevertheless, there is some concern at the apparent conviction that 'growth and jobs' will automatically deliver greater labour market participation among vulnerable groups and suggested some adjustments to the approach:

- Introduce stable forms of consultation and cooperation with third sector organisations or particular groups of these (e.g. those dealing with young people) - possibly even a new 'Employment Forum' - with a view to influencing and monitoring the national and European measures that will be introduced (EASPD, EWL, FEANTSA, YFJ);

²⁷ NCVO (2007), *Estimates of Government Funding to the Third Sector: Experimental Statistics*, A Report by the National Council for Voluntary Organisations for the ONS.

- New and more stringent targets. In addition to the one on poverty reduction, for instance, it would be worth having targets on the reduction of long-term unemployment (AGE, EPR) and the reduction of working poor (EAPN);
- More attention needs to be paid to the social effects of (geographical) labour mobility. The de-industrialisation of traditionally job-rich areas in Western Europe is said to increase the risk of long-term unemployment and social exclusion (EPR).

In general, however, respondents support the objectives of the Europe 2020 strategy and intend to contribute towards its implementation. On the one hand, that will be achieved by raising the visibility of social cohesion and employment issues through their advocacy work in Brussels and national capitals. On the other hand, their service provision, as described above, can support and complement the work of other labour market actors.

Several respondents report cases of partnership and cooperation with other public and private organisations active in the field of employment, such as, in particular, PES, local authorities, public agencies, and employers' associations:

- **Cooperation with PES** takes different forms depending on the national context. In France organisations working on the employability of the long-term unemployed (SNC) work mostly in parallel with the local PES, but must have recourse to them in order to access social benefits, finance training or resort to *contrats aidés* (see above). In the UK and Ireland, organisations working with the homeless (FEANTSA) are often financed, through public tenders, by **local authorities** to undertake projects in partnership with PES aiming to increase the employability of homeless service users;
- In some cases, **public agencies** take an active role in the management and funding of TSES. For instance, Portugal's Institute for Employment and Vocational Training is the main funder of CRPG and is also part of its managing board;
- **Employers' associations** also cooperate with TSES. CRPG and LO40, for instance, work in constant partnership with employers. CRPG launched ad hoc services on the management of disability, which are delivered together with, and are specifically targeted at, employers. LO40 coordinates projects, such as MAIEUTA, in which single companies and employers' associations commit to offering long-term unemployed persons over the age of 40 vocational training opportunities and work experience in the form of internships. Youth organisations within YFJ in several Member States have developed learning portfolios or learning certificates in consultation with employers²⁸.

In addition to this, TSES can offer services that are complementary to those offered by PES, and are in a position to reach out to groups that PES generally find it difficult to reach:

- TSES clients tend to belong to very vulnerable groups that need **advanced and personalised services of social support** as well as job-insertion. As mentioned earlier, many TSES help their targets to develop their life-skills and build their self-confidence as a necessary pre-requisite to deal with the requirements of working life;
- PES often **outsource services for particular groups to external providers**. TSES in several Member States are licensed, for instance, to provide services to promote the vocational rehabilitation and employment of disabled people (EASPD, CRPG, URI);

²⁸ Notable examples of this are the Flemish Oscar, the Slovenian NEFIKS and the Swedish ELD.

- TSES are able to **reach out to groups that are generally distant from PES**, such as the young, older job-seekers²⁹, and the very poor. LO40, for instance, has set up its own channels to contact potential beneficiaries. Contacts with potential clients take place primarily through the association's website, although increasing efforts are being made to advertise on other media. Youth organisations involve the young in socialisation and active citizenship activities, thereby helping them to develop non-formal skills and, through the organisation career fairs and internships, get in touch with potential employers. FEANTSA established specific outreach programmes for the homeless relying on a network of night shelters, long-term hostels, supported accommodation and day outreach centres. The character and scope of the support offered in these institutions is variable – an emergency shelter for people sleeping rough, for instance, will offer dramatically different services from a day outreach centre – but employment and training-related services are supplied, to some extent, by all.

CONCLUSIONS

This paper discussed the emergence of the third sector as a provider of employment services aiming to get disadvantaged people into regular work. On the basis of existing evidence and a questionnaire circulated to members of the European Social Platform, it has attempted to identify the main target groups serviced, the types of services offered and the source of resources to fund these. Responses to the questionnaire, in particular, have produced new insights into the types of services provided, the ways that TSES work and how their activities complement those of other labour market actors.

Nevertheless, this was just an initial attempt to understand the role of TSES as a provider of employment services. The information collected here is mostly qualitative and covers only a small sample of organisations so may not be representative of the full scope of TSES activities. It is worth stressing, moreover, that analysis in this area is hampered by an acute lack of quantitative information on both the inputs (amount of resources spent on employment services) and outputs (results in terms of numbers of people helped) of TSES activities, at least at European level. It is likely that individual organisations will maintain such information but at the present time there appears to be no systematic collection of such data by either European or national umbrella organisations. If the contribution of the sector is to be adequately understood, there is a clear need to establish some kind of cross country database with figures organised by type of activity and target group.

This study elaborated also on the value-added of TSES. There is a clear potential for the TSES to complement and contribute to the work of the PES in guiding people towards work, particularly at a time when EU labour markets are still bearing the consequences of the most severe economic downturn for decades. The unemployment rate is still on the rise and is expected to stabilise only in 2011. At the same time, Member States are being forced to rein in public spending in order to keep their finances under control. In this context, PES are likely to be faced with a dramatically increased workload and, at the same time, decreasing resources. There is, therefore, significant potential benefit in increasing co-operation between the PES and both private and third sector actors in order to ensure the delivery of adequate support for all groups in the labour market, including the most vulnerable, which is where the TSES have a key role to play.

It is apparent from the review undertaken there that TSES already make a valuable contribution to the provision of employment services and that, in general, the services they offer are complementary to those

²⁹ According to our own calculations on LFS data, these two groups (15-24 and 50-64 year olds) are less likely than prime age job-seekers to be registered with the PES. More specifically, young and older job-seekers registered with PES are, on average, 40% and 54.8% of those wanting to work their age group (unemployed plus 'labour reserve'), respectively. By contrast, the average EU figure for prime age is 58.3%.

offered by the PES and other labour market actors. TSES are able to offer advanced personalised services that cater for the specific needs of clients in a way that the PES often cannot do, not least because they have to deal with such a diverse range of clients. For instance, many of the most vulnerable groups need varying degrees of support with social integration before they are ready to start the real process of finding work. Third sector organisations are generally geared up to provide this kind of assistance whilst PES lack the resources to do so systematically. Additionally, TSES reach out to groups within society that the PES traditionally struggle to reach (the very poor, the young, older job-seekers). Third sector bodies have developed independent channels for establishing contact with potential beneficiaries and may set up outreach programmes in order to get in touch with the most vulnerable ones. Again, the workload of PES in dealing with the clients that come to them for help means that they are often not used to actively seeking clients so that the activities of the TSES are clearly complementary.

Cooperation and partnership, however, must be developed further. Some of the questionnaire respondents reported little or no contact with PES. As a first step, thus, more stable contacts between PES and third sector employment services providers should be established in all Member States, with PES at local level probably best placed to take the initiative on instigating contact. Second, greater integration and complementarity should be pursued between public authorities and the services offered by TSES. Integration can be ensured by distributing public funds through tendering procedures that encourage partnerships between different actors and 'privilege' the third sector by the use of social clauses. Existing practices should be encouraged and extended so that a larger share of the available resources is channelled to typically cash-strapped organisations. Most third sector respondents, indeed, lamented the scarcity of public resources compared to the task at hand. Third, staff dealing with vulnerable groups should be properly trained. Partnerships between PES and TSES should result in a profitable exchange of experience and skills: PES staff should learn about the specific issues these groups are faced with, whereas TSES staff should be trained to develop their employment services. Experience with innovative services, such as personal empowerment and services to employers, should be shared and diffused as widely as possible. Fourth and finally, financial incentives can be a rather effective instrument to make job-seekers from vulnerable groups more appealing to potential employers. In countries such as France, for instance, TSES can exploit special contracts subject to reduced social contributions which can help in getting employers to take on their clients. In other cases, TSES offer to pay part of their clients' salaries or social charges within a given time limit. These practices, again, should be further diffused and extended.