Defining the rather vague so-called third sector can be somewhat difficult, despite the fact that members of the sector want to be known by that name. From the economic and management point of view, it is clearly different from most of the public administrations (although some independent public organizations and publicly-owned businesses carry out activities in the areas in which third-sector institutions operate). To distinguish it from the private sector, particular emphasis is placed on the lack of interest in making money (the oft-repeated “non-profit organization”), but in general the desire to be referred to in this way is greater than the desire not to make a profit, in the sense that the activities do not generate income, because the need for funds is paramount and it is the factor that drives the sector’s strategy. It should be said that this “non-profit” often means that there is a widespread “ex ante” distribution of any surplus funds among the sector’s projects, managers, employees, and any expenses among sponsors and foundations so the defining statement that “internal surpluses will not be distributed” often means little more than that money is not distributed in the same way as it is in businesses, and not that it is not distributed at all. In general, third-sector organizations do not like to encourage the idea that they exclusively provide aid to or protection from marginality, and acts of compassion, charity, or help to the needy. Neither are they wholly based on volunteer work or altruistic donations, or engaged only in those sectors or activities that by their very nature exclude businesses because they are of no economic interest.

The fact that they are defined as private, non-governmental, voluntary-membership institutions that are self-governed and created voluntarily, and that their general names often carry such tags as “solidarity institution” or social economy can help to differentiate them from public administrations or from organizations related to political parties, unions or religions, but not from businesses, unless they adopt such legal statuses as association, foundation, corporation, cooperative, etc. Likewise, other differences may be that they follow particular legal norms, that values play a leading role, that the people who make them up and take part in them enjoy a relationship that is heartfelt and regarded as a symbolic-intentional point of reference, and that they are structured in such a way that volunteers are of great importance. My conclusion is that the term third sector expresses more “a desire to be” than a real status.

But having said all this, it is difficult to understand why many members of third-sector organizations resist being reminded that they are resemble businesses and why they are so interested in claiming that they represent just the opposite: “Nothing that belongs to the world of business is of any use to us because we NGOs are different,” they say. And their directors often state quite clearly, and schizophrenically, that “we need this organization to work more like a business.” The most paradoxical thing about this “anti-business attitude” being expressed in this way is that they need to respond to a clear mandate for efficiency, and that like all businesses they have to use economic calculations, accounting, budgets, cash predictions, and accountability, and be highly sensitive to communication and marketing (although
only because of their dependence on acquiring funds). They have numerous points in common with the business world: they are organizations made up of people who have responsibilities and objectives; these people will be required to make an effort, innovate, and collaborate; and there will be leadership, interpersonal communication, reward for performance, and even ways of balancing work and family life. Peter Drucker, the great factotum of management never tired of repeating how the principles of good management are and should be used by businesses, organizations and the state itself, and for much of the last third of his life he was involved in this sort of organization.

At present, these institutions face a variety of challenges: they must strive to work in conjunction with others to gain economies of scale, and attempt not to duplicate the work of other organizations, not to interfere in the capitalist development of societies (particularly in developing countries because of such prejudices as being against personal initiative and private property) and not to depend on state subsidies, which at least have an effect on ideology and always have a high risk of continuity and sustainability. And nowadays they must be able to respond to greater needs with fewer resources.

A mature, open society in which citizens are aware that the role of the state must be limited, and for which Hazlitt formulated five basic institutions – private property, free markets, competition, division of labour, and social cooperation – needs, if the last of these five institutions is to function, a well-developed civil society in which this sort of organization plays a leading role by gathering together both volunteers and funds (also donated voluntarily) and thus making it possible to respond effectively and efficiently to the numerous needs that businesses cannot cover because of their mission, the distribution of social work and economic objectives, and that the state can only do so at great economic cost. It is no surprise that these institutions have developed quite spectacularly in some countries, and particularly in those that have greater freedom such as Canada, Australia, New Zealand, USA, et cetera. In Holland, for example, third-sector organizations have employed as much as 12% of the total work force in employment.

For these reasons, I believe that this book makes a series of contributions in line with previous ideas by defining fields of action according to management rationality and by describing ways of taking action that are based on evidence and not on opinions lacking in foundation and with no clear base in facts or statistics. Particular mention should be made of the new technologies and the use of what has become to be known as the 2.0 world, a new phase in the life of Internet that provides a wealth of opportunities for these organizations ranging from the imaginative and non-costly recruitment of volunteers, members and donations, to communication and participation, and economy of means. It may also be the solution to the challenge of safeguarding an organization’s knowledge, always a considerable problem in organizations whose key figures are constantly being changed and who, when they leave, take with them much of their knowledge and know how. Constructing learning organizations is not a straightforward task: it requires an effort to systemize, share, and document plans and how they are put into practice, and the role that IT can play in this process is crucial.

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