GŁÓWNY URZĄD STATYSTYCZNY

CENTRAL STATISTICAL OFFICE

THE THIRD SECTOR IN POLAND

ASSOCIATIONS, FOUNDATIONS, FAITH-BASED CHARITIES, PROFESSIONAL AND BUSINESS ASSOCIATIONS, EMPLOYERS' ORGANIZATIONS IN 2012

Statistical analyses and studies

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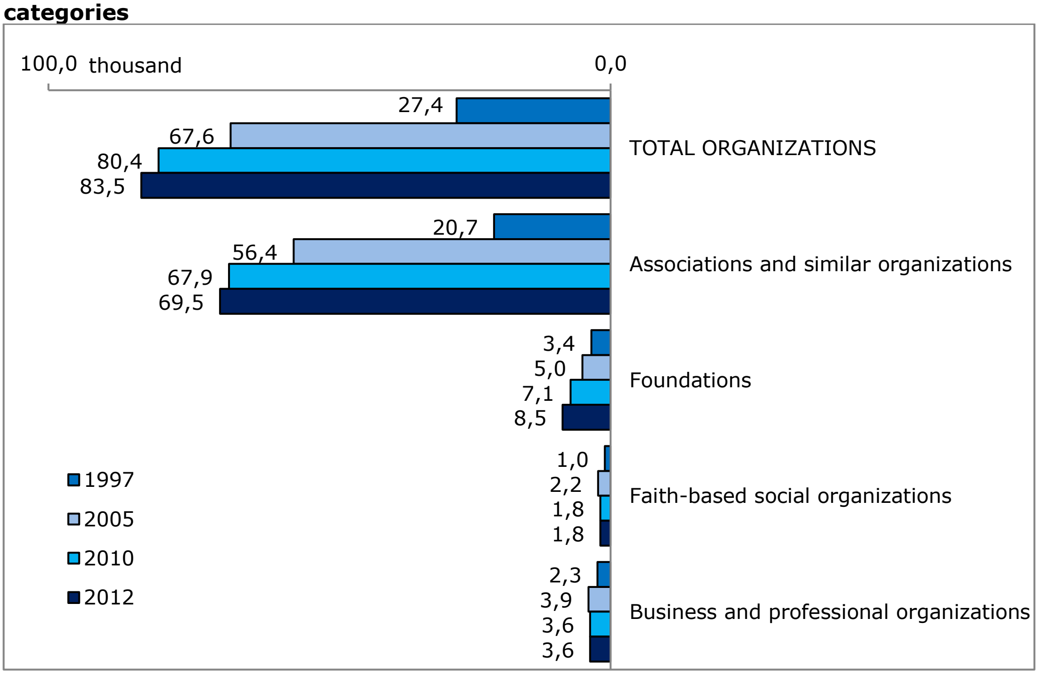
The state of the third sector and key developments in 1997-2012

1. Number of active organizations

1.1. Number of active organizations sorted by their categories

In 2013, 36.2 thousand associations and similar organizations, foundations, faith-based social organizations, business and professional associations including employers' organizations were selected from the sampling frame that comprised 102.4 thousand third sector entities; specialized forms SOF-1 and SOF-4 were used for collecting data. Responses received from 93% of the selected entities were sufficient to determine if they were active in 2012 and comprehensive data on their activities were provided by 25.2 thousand entities. Extrapolation of these results to the whole population shows that 83.5 thousand organizations of the third sector were active as of 31 December 2012.

Figure 1. Number of third sector organizations* in 1997-2012 sorted by their categories



* The data in a series may not add up exactly to the total value due to rounding.

The total population that was subject to the survey consisted of:

- 69.5 thousand associations and similar organizations; the group consisted of typical associations and similar organizations (32.4 thousand) and also sports clubs (19.8 thousand), voluntary fire brigades (14.9 thousand) and hunting clubs (2.4 thousand);
- 8.5 thousand foundations;
- 3.6 thousand business and professional associations, including employers' organizations and 1.5 thousand farmers' organizations;
- 1.8 thousand faith-based social organizations, i.e. registered organizations and institutions that provide social services and operate in conjunction with churches and religious groups.

An important group of entities covered by the study of the third sector was the pool of public benefit organizations (PBOs). They constituted 10% of the whole population covered by the study in 2012. The PBOs occurred most frequently in the group of foundations (20%) and least frequently (0.2%) in the group of business and professional associations.

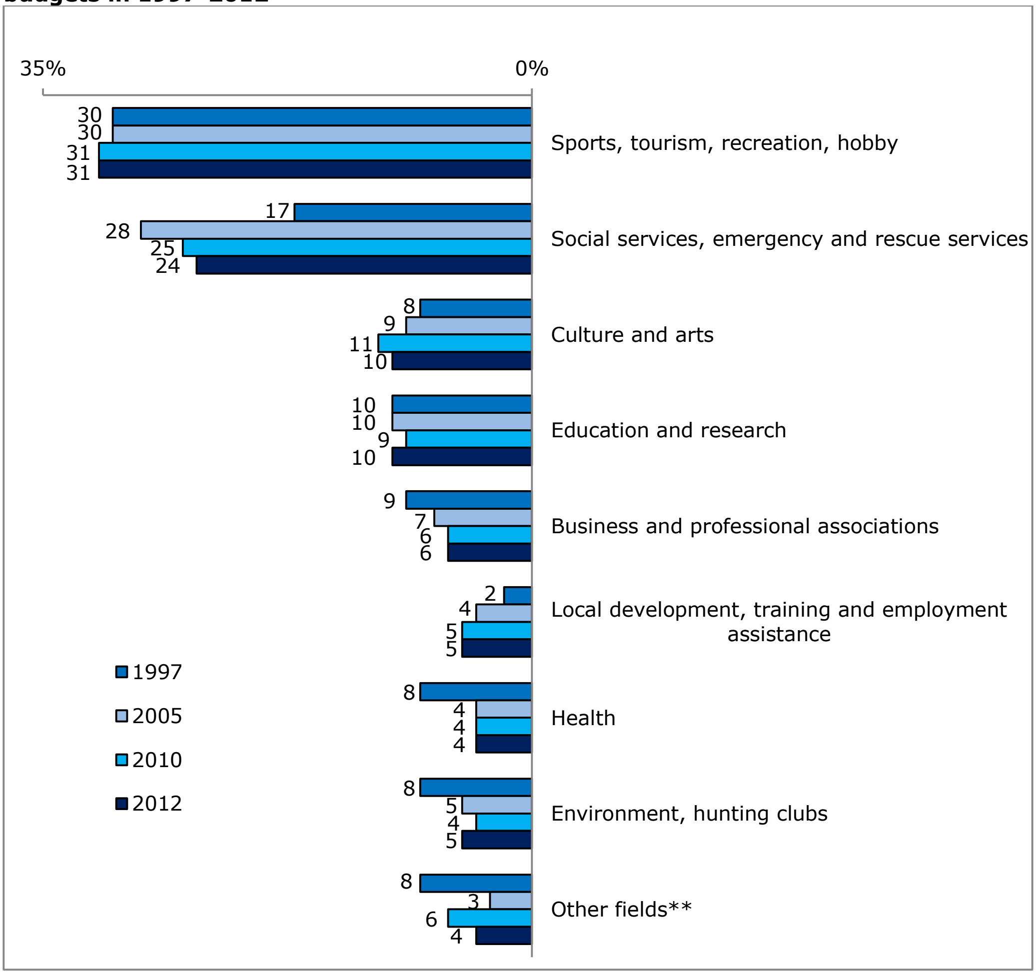
Compared to the first investigation with the use of SOF forms, which was conducted in 1997, there was an almost 3-fold increase in the number of active entities of the third sector in 2012 (dynamics 305, assuming the reference value of 100 in 1997). The dominating contribution to this high dynamics is due to the high growth rate in the largest groups of organizations, i.e., in the category of associations and similar organizations (dynamics 335, relative to the reference year 1997) and foundations (dynamics 254, relative to the reference year 1997). The SOF survey shows that the total number of entities in the third sector grew rapidly in 1997-2005 (an average increase of 5.0 thousand entities per year), in 2005-2010 the increase continued but at a twice lower rate (an average increase of 2.6 thousand entities per year), whereas in 2010-2012 the increase was even slower (nearly 1.6 thousand entities per year). It is worth noting that in that two-year period the number of active foundations increased by 20%, the number of associations and similar organizations increased by 3%, whereas the number of faith-based social organizations, as well as business and professional associations, including employers' organizations, remained basically at the same level.

1.2. Number of organizations sorted by the principal area of their mission-related activity, as evidenced by their expenditures

Having analysed the number of third sector entities sorted by the field of their principal activity (understood as the kind of activity that consumes the largest part of their budgets) one can conclude that the most popular areas of activity in 2012 were: *sports, tourism, recreation and hobby* (31% of all organizations), *social services, emergency and rescue services* (24%), *culture and arts* (10%), *education and research* (10%) and *business and professional activities* (6%). *Local development*, including *training and employment assistance* (5%), *environment, hunting* (5%) and *health care* (4%) were less popular.

Although the size of the surveyed third sector has increased significantly over those 15 years, the distribution of active organizations, sorted by their principal area of mission-related expenditures, has changed relatively little.

Figure 2. Distribution of third sector organizations sorted by the principal field of their activity*, understood as the field that consumed the largest share of their budgets in 1997-2012



* Due to rounding, the data in a series may not add up exactly to 100%.
** The aggregate category of *other fields* comprises entities, which indicated the principal field of activity whose share was 2% or less (*philanthropic intermediaries and voluntarism promotion, civic organizations*, *religion* or *international activities*) or were not able to decide on any of the 14 specific fields as the one, which consumed most funds for their mission-related activities.

The most significant change in the period of 1997-2005 was the high increase (by 11 pp.) in the number of organizations that spend their financial resources in the field of *social services, emergency and rescue services*, which was mostly the result of registration of voluntary fire brigades as third sector organizations. In the same period, the decrease occurred in the percentage of entities that spent their financial means in the field of *health* (from 8% to 4%) and in *environment, hunting clubs* (from 8% to 5%). The most significant change in the period of 2005-2010 was the drop in the percentage of organizations active in the field of *social services, emergency and rescue services* (from 28% to 25%); in 2010-2012, changes in all fields of activity were small, within one percentage point.

Throughout the whole 15-year period, there was a continued decrease in the share of organizations dealing with *business and professional* matters (from 9% to 6%) and simultaneously there was a continuous increase in the share of organizations that allocated most of their resources to *local development, training and employment assistance* (from 2% to 5%).

1.3. Number of organizations sorted by their location

Beside the analysis of third sector organizations from the viewpoint of their category and their principal field of activity, it is important to characterize distribution of third sector entities according to their territorial distribution at the voivodship level and their specific location.

In 2012, six out of ten organizations surveyed in SOF-1 or SOF-4 were located in cities, usually in large cities that had the status of a county, and less frequently in smaller townships. Cities that had a county status hosted a majority of *foundations* (71%), *business and professional associations* including *employers' organizations* but excluding *farmers' organizations* (60%), whereas *voluntary fire brigades*, as well as *farmers' organizations* were usually established in rural areas (91% and 90%, respectively).

At the voivodship level, the largest percentage of third sector organizations, as much as 16%, were headquartered in the Mazowieckie voivodship and more than a half of those organizations were located in Warsaw; the least number of third sector entities were located in the voivodships: Lubuskie, Opolskie, Podlaskie and Świętokrzyskie (3% each).

In terms of the accessibility of third sector organizations, defined as the number of organizations per 10 thousand residents, the highest accessibility in 2012 was observed in the following voivodships: Mazowieckie, Wielkopolskie and Podkarpackie, where there were more than 23 organizations per 10 thousand residents, while the lowest accessibility occurred in the Śląskie voivodship (15 organizations per 10 thousand residents).

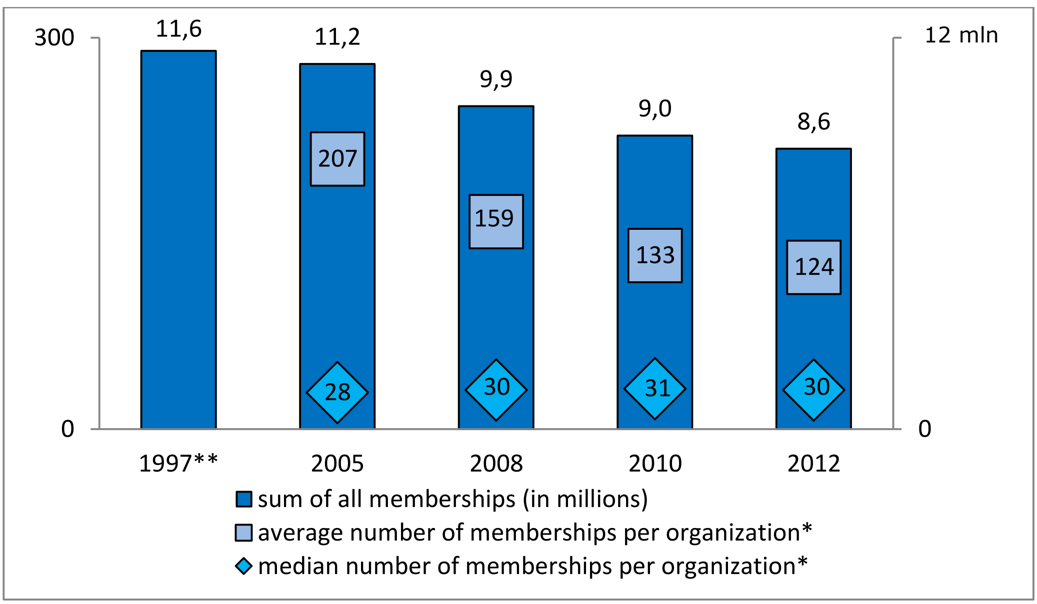
Due to the above-mentioned increase in the total number of entities in the non-profit sector, accessibility these organizations has increased 3-fold in the investigated 15-year period. In 1997, there were only 7 organizations per 10 thousand people, whereas this number increased to 18 in 2005, 21 in 2010 and almost 22 in 2012.

2. Memberships

Third sector organizations had a total of approximately 10.2 million memberships[1], where the number was obtained by summing all entries on membership lists of the surveyed organizations. Memberships of corporate entities constituted a very small fraction of that number (0.3 million). Therefore, the analysis focused on individual memberships (9.9 million).

The largest contribution to the membership pool of the surveyed entities comes from *associations and similar organizations* (8.6 million memberships). The data collected with the use of SOF forms show that despite the large increase in the number of such organizations in 1997-2012 (dynamics 335, where the reference value is 100 in 1997) the number of memberships shows the downward trend (dynamics 74, relative to 100 in 1997) in the same period. During this 15-year period, the total number of individual memberships in *associations and similar organizations* dropped from 11.6 million to 8.6 million, where the decrease of 0,4 million occurred in the first 8-year period and the drop of over 2.5 million occurred over the next 7 years.

Figure 3. The number of memberships in associations and similar organizations in 1997-2012



* Calculated for the group of organizations that reported data on the number of memberships.
** The median and the average in 1997 are not available.

The increase in the number of *associations and similar organizations*, accompanied by the simultaneous drop in the total number of memberships in these organizations, is the

[1] In the case of organizations that did not have members, the number of persons in their statutory bodies has been taken as the number of memberships.

result of processes that have already been described in a specialized publication[2]. In brief, this is the result of a significant decrease in the number of memberships in large organizations, which dominated some increase in the number of memberships due to the growth in the number of small associations, which had a smaller-than-average number of members. This is clearly visible from the studies conducted with the use of SOF-1 forms for 2005, 2008, 2010 and 2012, as illustrated in Figure 3. During this 7 year period there was a clear reduction in the difference between the average number of memberships and the median. In 2005, the average number of memberships was more than 7 times higher than the median, whereas in 2012 - only 4 times higher.

[2] Nałęcz S., *Sektor non-profit* in*: Gospodarka społeczna w Polsce. Wyniki badań 2005-2007*, ISP PAN, Warszawa 2008, p. 146.

3. Voluntary work

Voluntary work is of great importance for the non-profit sector, as it confirms the real commitment of members of the organization, as well as those volunteers who are not formal members of the organization, to the mission of the organization. Their work not only confirms the bond between volunteers and a particular third sector entity, but it is often the main resource which those organizations base their activities on, because due to the lack of other assets 61% of those organizations cannot afford to hire paid staff, neither on the basis of employment contracts nor on the basis of civil law contracts.

According to the survey of 2012, 90% (74.7 thousand) entities declared that they made use of the voluntary work. This indicator has increased by 8 pp. during the past 7 years, from 82% in 2005, 85% in 2010 to 90% in 2012.

The voluntary work performed by volunteers in all organizations surveyed with the use of SOF forms in 2012 is equivalent to the work of 40.9 thousand full time employees. This number is 2.1 thousand higher than the number of full-time-equivalent employees (FTE) 2 years earlier.

Relative to the year 2010, the 2012 average annual volunteer FTE per one organization has increased from 0.5 to 0.6 in the group of organizations that used the volunteer work, but it was still lower than the 2005 value of 1 volunteer FTE per one organization. The median volunteer FTE in 2012 did not change relative to the 2010 value (0.1 FTE), but it was lower than the 2005 median by 1/3. This shows that although the percentage of organizations that used the volunteer work has increased (from 82% to 90%) in the past 7 years, the volume of the volunteer work per one organization has significantly decreased in the period of 2005-2010 and then stabilized with some signs of a slight increase in 2010-2012.

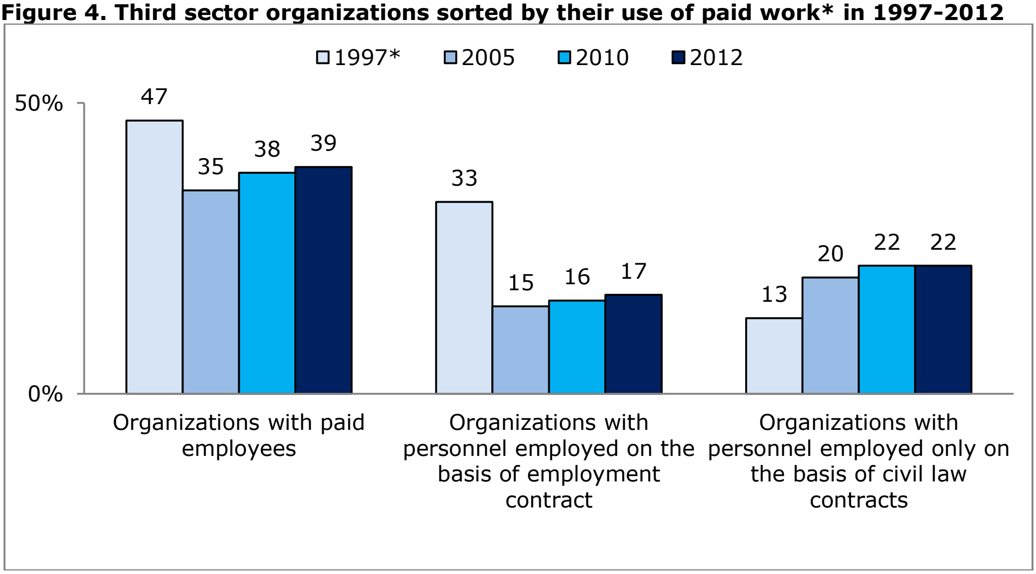
4. Paid work

4.1. Different forms of employment in the third sector

A permanent feature of the non-profit sector in Poland, as evidenced by the SOF study over the past 15 years, was that majority of non-profit organizations did not make use of paid work. As of the end of 2012, only 39% of the surveyed organizations used any form of paid work, of which 22% offered only civil-law contracts and 17% had at least one person employed on the basis of employment contract.

Compared with 1997, the availability of paid work in third sector organizations in 2012 has significantly decreased, as the percentage of organizations that used any kind of paid personnel has decreased by 8 pp. and the percentage or organizations, which hired employees employed on the basis of employment contract, has dropped by 16 pp. Due to escalating difficulties with financing of the staff employed on the basis of employment contract, the ever higher percentage of organizations hired only employees employed on the basis of civil law contracts; this resulted in the increase in the percentage of organizations where only civil law contracts were available (increase by 9 pp.).

Figure 4. Third sector organizations sorted by their use of paid work* in 1997-2012



* The 1997 indicators were estimated based on SOF surveys, which provided data on percentage of organizations that paid any remuneration. On the other hand, the 2005, 2010 and 2012 indicators were derived directly from questions on persons employed on the basis of employment contract at the end of the year and on civil law contracts during the entire year. The 2005 survey allowed to differentiate between employment contracts and civil law contracts; the differences (on the order of 2 pp.) allowed to determine the 1997 estimates.

The decrease in the availability of employment in third sector organizations was not uniform in the entire period of 1997-2012. The decrease was most significant in the period between 1997 and 2005, when there was a large increase in the number of organizations of the third sector (by about 40 thousand entities) and a very small increase in the number of organizations that offered employment contracts (by about 1 thousand). This resulted in the 18 pp. decrease in employment based on employment contracts, which was partially offset by a simultaneous increase in employment on the basis of civil law contracts – the percentage of organizations that offered only civil law contracts increased by 7 pp. The share of third sector entities that used any kind of paid work has declined by 12 pp. in the same period of time (1997-2005).

In 2005-2010, the number of third sector organizations still increased (by about 13 thousand entities), but at a lower rate, compared with the previous period; at the same time, the number of organizations that hired employees based on employment contracts has increased more than in the previous period (by about 3 thousand), which resulted in a slight increase (by 1 pp.) in the percentage of such entities. A somewhat more pronounced increase has been observed in the group of organizations that offered only employment on the basis of civil law contracts (their share increased by 2 pp.).

In the period of 2010-2012 the dynamics in the number of organizations that employ on the basis of employment contracts has reached the value of 106, which was higher by 2 pp. than the dynamics of the total number of active organizations (104) in the same period. Consequently, there was a slight increase in the percentage of entities with personnel employed on the basis of employment contracts (by 1 pp.). As the share of the organizations that hired employees exclusively on the basis of civil law contracts remained unchanged in the same period, the percentage of organizations that used paid work has also increased a little (by 1 pp.).

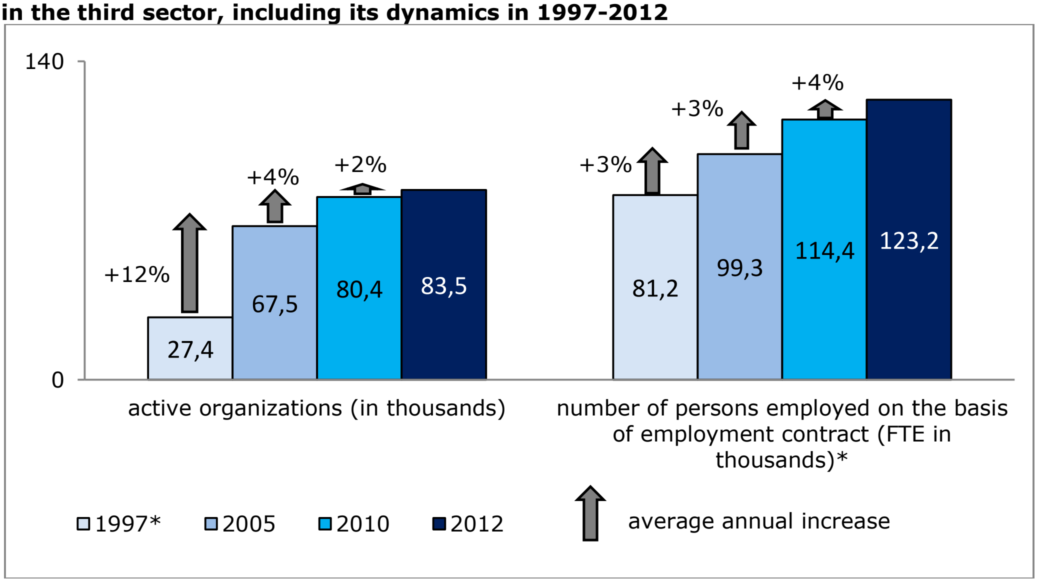
4.2. The volume of employment on the basis of employment contracts and civil law contracts

At the end of 2012, the surveyed organizations were the place of employment on the basis of employment contracts for 147 thousand people, including 125.6 thousand employees for whom that was the principal workplace (in 2005 the corresponding numbers were 112.5 thousand and 100.4 thousand employees, whereas in 2010 – 132.5 thousand and 111.8 thousand, respectively). As mentioned above, civil law contracts are the most common form of employment in the third sector; in 2012, there were 375.4 thousand people who worked such jobs, including 25.8 thousand people for whom that was the principal source of income (in 2005 the corresponding numbers were 302.5 thousand and 23.1 thousand employees, whereas in 2010 – 389.9 thousand and 23.8 thousand, respectively). Having added all the people for whom the surveyed organizations were the principal place of work, i.e., those enjoying employment contracts and workers employed on the basis of civil law contracts, it turned out that the non-profit sector generated 151.4 thousand of such jobs in 2012. In the 7-year period between 2005 and

2012, the number of people who declared a third sector organization as the principal employer increased by 27.9 thousand, i.e. by 23%.

In 2012, the average number of persons employed on the basis of employment contract in full-time jobs in the third sector was 123.2 thousand. This number was about 52% higher than the number of FTE in 1997. However, in the surveyed 15-year period, the increase in the number of persons employed on the basis of employment contract in full-time jobs was much smaller than the increase in the number of active organizations in the third sector (the number of third sector entities has increased by 205% in 2012 relative to 1997). Consequently, despite the overall increase in employment in the third sector, the number of full-time jobs per one organization (regardless of whether the organization had any employees) has fallen from 3.0 FTE in 1997 to 1.5 FTE in 2012.

Figure 5. Active organizations and employment on the basis of employment contract in the third sector, including its dynamics in 1997-2012



* The average number of persons employed on the basis of employment contract understood as the average number of full-time-equivalent jobs (FTE), which accounts both for full-time and part-time employment contract' jobs.

These changes were not uniform in the surveyed 15-year period. The rate of increase in employment based on employment contracts increased with time, whereas the rate of increase in the number of organizations – decreased with time. In the period of 1997-2005, the average annual increase in number of persons employed on the basis of employment contract (FTE) was less than the increase in the number of active organizations (3% and 12%, respectively); in 2005-2010 the annual increases in both categories were similar percentagewise (3% and 4%, respectively); and in 2010-2012 the annual increase in number of persons employed on the basis of employment contract (FTE) was twice higher, percentagewise, than the increase in the number of active organizations (average annual increases of 4% and 2%, respectively).

A comparison of the average employment based on employment contract (in FTE) generated in the third sector with the corresponding data at the level of the national economy shows that in 2012 average number of persons employed on the basis of employment contract in full-time jobs in the third sector accounted for 0.9% of the average number of all workers in the national economy (expressed in FTE) or 1.3% of the average number of all employees in the national economy, irrespective of the type of their employment contract[3]. Over the past 15 years, the values of these indicators have noticeably increased, compared with the initial 1997 values, when these indicators were 0.5% of the average number of all workers in the national economy and 0.8% of all employees.

4.3. Disparities in employment on the basis of employment contracts

The average number of full-time jobs within organizations employing on the basis of employment contract differs significantly depending on a particular organization. In 2012, the average number of full-time jobs within organizations employing on the basis of employment contract was 8.6 FTE, but a half of these organizations reported that their employment did not exceed 2.3 FTE. This means that the average number of full-time jobs was 3.7 times higher than the median, whereas in 2005 and 2010 the average was more than 4 times higher than the median. In 2005 the average number of full-time jobs was 9.4 FTE and the median was 2.3 FTE; in 2010 the corresponding data were 8.3 FTE and 2 FTE, respectively.

4.4. Specific features of employment on the basis of employment contracts

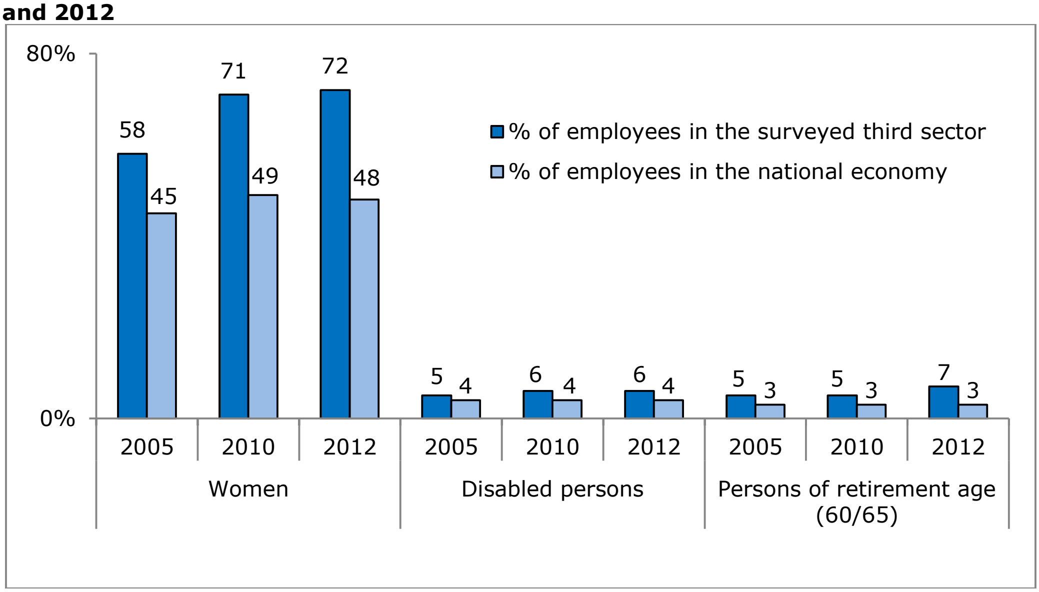
The characteristic feature of the labour market in the third sector is that part-time employees constitute a high share of all personnel employed on the basis of employment contracts. In 2012, the share of part-time employees amounted to 29% of all staff employed on the basis of employment contracts in the surveyed organizations, whereas part-time workers constituted only 9% of the whole workforce in the national economy. Moreover, the share of the part-time personnel in the total number of personnel employed on the basis of employment contracts in the third sector has increased by 6 pp. in the period of 2005-2012.

Third sector organizations employed women, disabled persons and persons of retirement age more often than it is observed in the whole Polish labour market. In 2012, women accounted for 72% of all staff employed on the basis of employment contracts in the third sector, while the value of this index in the whole national economy was 48%.

[3] The average number of all employees accounts only for persons who work based on an employment contract in a given year, whereas the average number of workers in the national economy includes also employers and self-employed persons.

Feminization of employment on the basis of employment contracts in the third sector significantly increased in 2005-2012, by as much as 14 pp. During those 7 years, the employment rate of disabled persons in third sector organizations was also higher than the average in the national economy, but the change was less dynamic (the increase from 5% to 6%, compared with 4% in the national economy); the same applies to the group of persons of retirement age (the increase from 5% to 7% in third sector organizations, compared with 3% in the national economy).

Figure 6. The share of selected groups of persons employed on the basis of employment contract in the third sector and in the national economy in 2005, 2010 and 2012



Another specific feature of employment in the third sector is the low level of wages. In 2012, the average gross monthly salary of the personnel employed on the basis of employment contract in third sector organizations amounted to PLN 3.1 thousand per one FTE, while the average gross monthly salary in the whole national economy amounted to PLN 3.6 thousand. Admittedly, in 2010-2012 the average monthly salary in third sector organizations increased by PLN 0.2 thousand per one FTE, but it was still less than the increase in the average monthly salary in the national economy[4] (PLN 0.3 thousand).

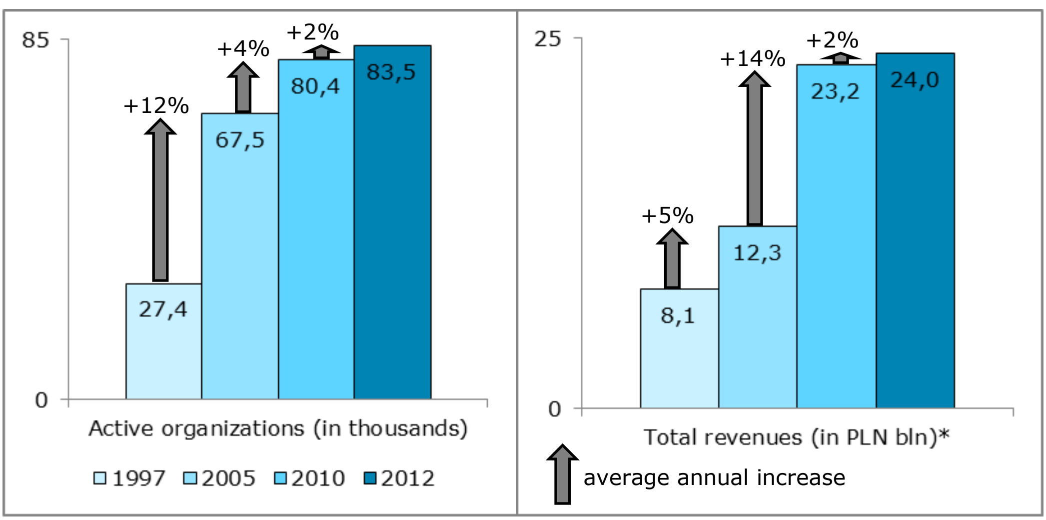
[4] Table 6 (192) *Przeciętne miesięczne wynagrodzenia brutto według wybranych sekcji i działów*, Rocznik Statystyczny RP 2013, GUS, Warszawa 2013.

5. Distribution of financial resources and revenues

5.1. Financial resources

The total amount of revenues reported by all active organizations in 2012 amounted to PLN 24.0 billion, whereas the costs were PLN 22.2 billion. In 1997-2012, the revenues of the surveyed third sector and the number of active organizations increased almost 3-fold; the relative growth of revenues was slightly lower than the relative growth in the number of third sector organizations (the two indicators were 297 and 305, respectively, where the reference value is assumed 100 in 1997). It should be noted, however, that the rate of growth of financial resources of the non-profit sector in 1997-2005 was more than 2 times lower than the rate of growth in the number of third sector organizations (the average annual increase of 5% in revenues, compared with 12% in the number of non-profit organizations), whereas the situation reversed in the period of 2005-2010, when the growth rate of revenues in the third sector was 3,5 times higher than the growth rate in terms of the number of non-profit organizations (average annual increases of 14% and 4%, respectively). In the years 2010-2012 the situation has stabilized, as both the annual increases in revenues and in the number of organizations were small and of a similar magnitude (annual growth rates of 2%).

Figure 7. The number of third sector organizations (in thousands) and their revenues (in PLN billion) in 1997-2012



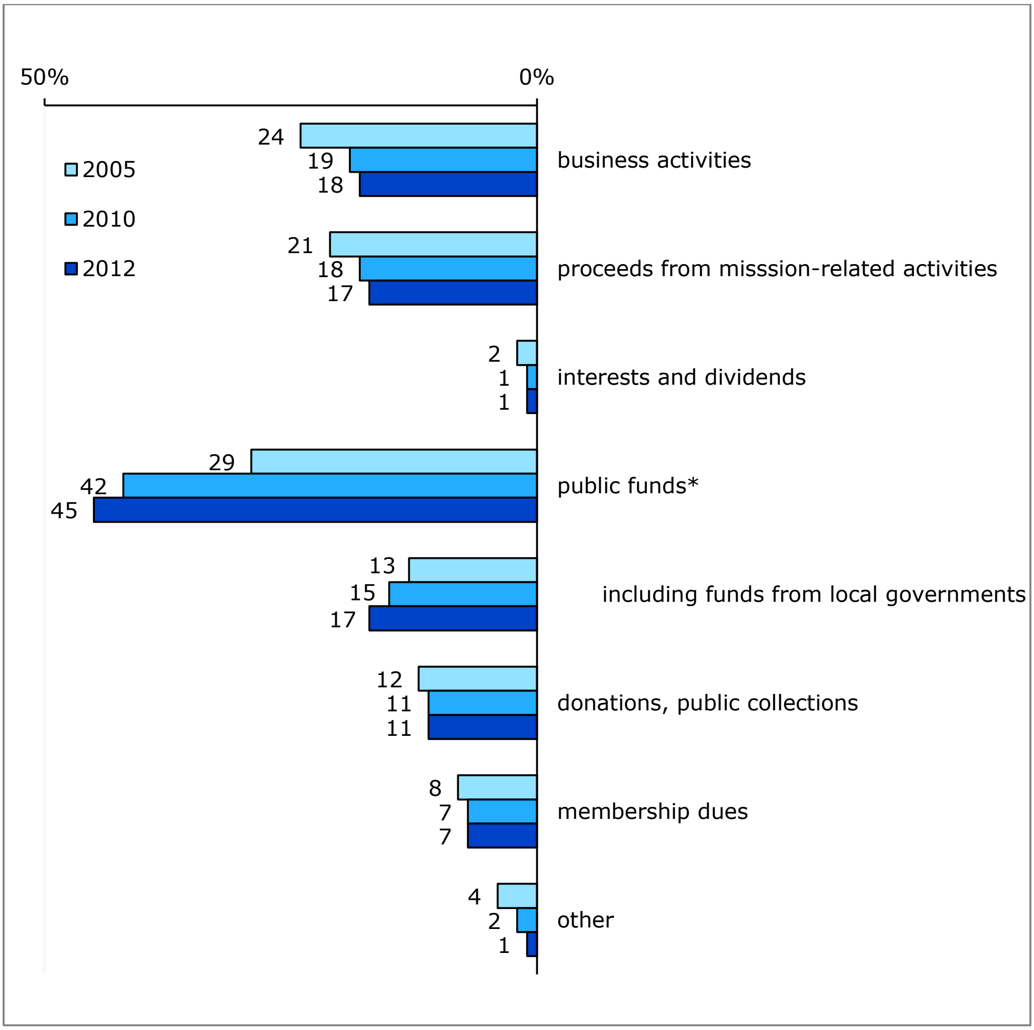
* Total revenues in 1997 and 2005 are assumed as the upper limit of the estimate.

The increase in financial resources of the surveyed organizations can also be seen from the perspective of the entire national economy: in 1997-2012 the share of expenditures of the non-profit sector in the GDP has increased from 1.2% to 1.4%.

5.2. Sources of revenues

In 2012, public funds constituted the largest share of revenues in the third sector (45%); these were mostly revenues of non-market character (41%), whereas revenues from tenders constituted 4% of all revenues. The proceeds from paid activities, obtained both from natural persons and from private firms constituted 40% of all revenues. Revenues from donations and public collections (11%), as well as membership dues (7%) were lower both from the market and non-market proceeds.

Figure 8. Sources of revenues of third sector organizations in 2005, 2010 and 2012**



* Including funds received under the *law on public procurement*, NHF contracts, etc.
** To maintain the year-to-year comparability of data, the financial surplus from the previous year was deducted from financial resources of 2010.

The structure of revenues in 2012 differs considerably from what was observed 7 years earlier. In the period of 2005-2012, the share of funds generated by *business activities* decreased significantly (from 24% to 18%), just as proceeds from *paid statutory (mission-related) activities* (from 21% to 17%). At the same time, the share of revenues from *public funds* has increased (from 29% to 45%); the growth in this category was mainly due to the increase in public funds received from abroad (5% in 2005 and 12% in 2012), transfers from local governments (from 13% to 17%), and to a lesser degree – from the 1% personal income tax transfers (from 0.4% to 2%), as well as from revenues from public tenders that were subject to the law on public procurement (from less than 2% to 4%).

Revenues from natural persons were quite stable in the discussed 7-year period. The share of *donations, public collections* decreased by 1 pp. and the decrease in *membership dues* was also within 1 pp.

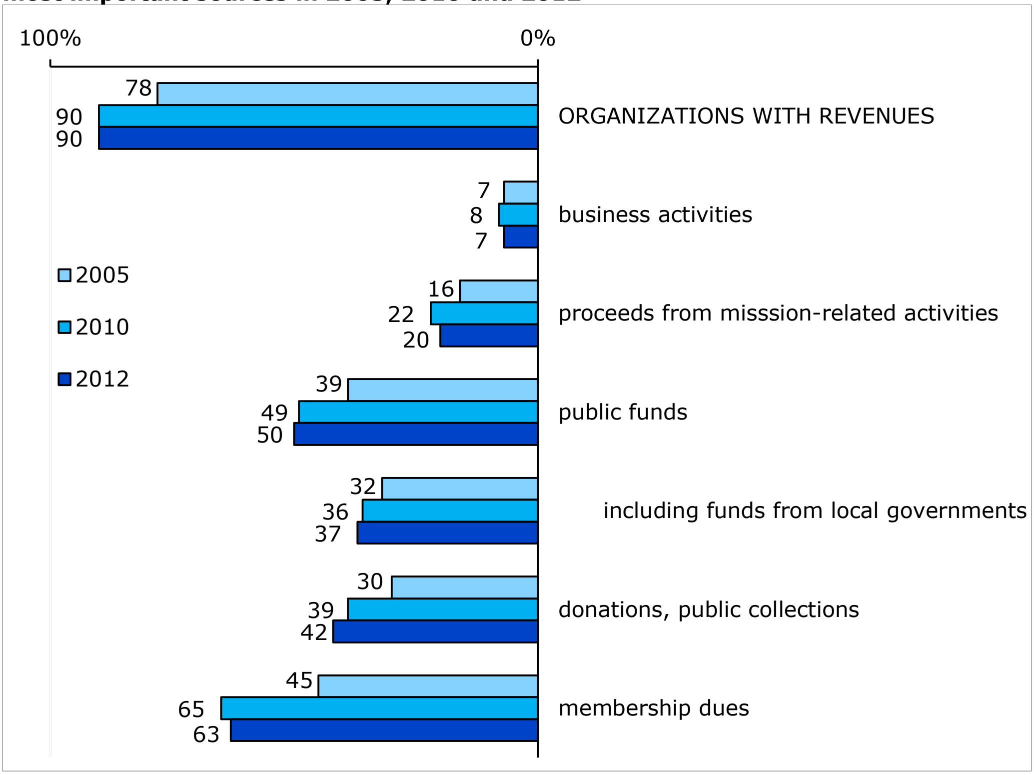
5.3. Frequency of acquiring revenues from various sources

A predominant fraction of the investigated, active third sector organizations declared that they had revenues; in the period of 2005-2012 the percentage of such entities increased from 78% to 90%. The most common source of revenues during this 7-year period was the income from *membership dues* – 45% organizations declared this kind of revenues in 2005, 65% in 2010 and 63% in 2012. In spite of the membership dues being a common source of income, they did not contribute very significantly to the total amount of revenues of these organizations; in 2012, the average annual contribution per one paying member was PLN 158 and the median was PLN 30.

The second most common source of financing of the third sector were *public funds* – 50% of active organizations declared having this source of income in 2012, which is 11 pp. higher than it used to be 7 years earlier. Next, as a common source of income, were *donations* received from private organizations and natural persons, either in the form of grants or funds acquired from public collections – this source of income declared 42% of organizations in 2012, an increase of 12 pp. relative to 2005.

The situation was different, as far as third sector revenues of market character are concerned. Paid *statutory (mission-related) activities* and *business activities* were declared as a source of income by investigated organizations less commonly than the other sources mentioned above (20% declared paid mission-related activities and 7% declared business activities in 2012). It is worth noting that while in the period of 2005-2010 the percentage of organizations that had proceeds from paid statutory activities increased by 6 pp. and the income from business activities increased by 1 pp., the income from these activities in 2010-2012 has decreased by 2 pp. and 1 pp., respectively.

Figure 9. Frequency of acquiring revenues by third sector organizations from the most important sources in 2005, 2010 and 2012



5.4. Impact of the European Social Fund on the economic potential of the third sector

In the planning period of 2007-2013 (by the end of 2012), third sector organizations started realization of a high number of ESF-financed projects[5], 22.5 times higher than the total number of ESF-supported projects in the planning period[6] of 2004-2006 (9.4 thousand projects, compared with 0.4 thousand projects in the previous planning period). In the present planning period, the total of ESF financial transfers to third sector organizations was 5 times higher than the total of ESF funds transferred in the previous planning period[7] (PLN 4.7 billion, compared with PLN 0.9 billion).

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[5] This concerns financial transfers within the framework of the Human Capital Operational Programme.
[6] This concerns financial transfers within the framework of the Sectoral Operational Programme Development of Human Resources and the Community Initiative EQUAL.
[7] Calculations were performed based on data from annual reports of the Ministry of Regional Development, series *Informacja na temat wykorzystania funduszy regionalnych przez organizacje pozarządowe*.

The total number of organizations that participated in ESF programmes as project developers, partners, sub-contractors or beneficiaries in 2012 remained at the same level as in 2010 (4.7 thousand); the percentage of those organizations relative to the total number of third sector organizations also remained unchanged (6%). However, the character of participation of third sector organizations in ESF projects has clearly changed. The year 2012 brought a significant, 8 pp. increase in the percentage of organizations that were beneficiaries of ESF projects (up to 37%), but the percentage of project developers dropped by 9 pp. (down to 33%).

In spite of the high increase in the number of projects co-financed by ESF, the number of non-profit entities that were principal investigators (project developers) was relatively low. This number stood at 1.5 thousand in 2012 (i.e., 0.4 thousand entities less than it used to be in 2010), which was a little less than 2% of active entities in the investigated third sector. The non-profit organizations that were ESF project developers quite often participated in more than one project of this kind (1.7 project on average).

One of the principal goals of ESF projects is to support activities that could result in the increased employment; the data collected with the use of SOF-1 and SOF-4 forms provide information on how the ESF financial resources transferred to the third sector affect the employment issue. The 2012 data show that participation in the ESF projects has helped to create or maintain permanent jobs in 0.9 thousand organizations, i.e. in less than 1% of all third sector entities. Organizations that participated in realization of projects co-financed by the Fund created or maintained jobs for 8.3 thousand persons, which constituted 6% of the entire workforce employed in the investigated third sector, 2 pp. more than it used to be in 2010.

6. The most important trends

The statistical investigation performed with the use of SOF forms, which has been continued for the past 15 years, shows a continuous increase in the number of active third sector organizations, the increase in their total economic potential (associated with increased financing of these organizations from public funds) and a reduction in the number of memberships.

In 1997-2012, the total number of active *associations and similar organizations*, *foundations*, *faith-based social organizations*, *business and professional organizations* has increased 3-fold. A similar increase has been noted in accessibility of these organizations to residents of Poland – there were only 7 organizations per 10 thousand residents in 1997 and as many as 22 in 2012. The strongest and continuous growth was observed in the category of *associations and similar organizations* (3.5-fold increase) and in the category of *foundations* (2.5-fold increase).

Despite the high growth rate in the number of non-profit organizations, the structure of the surveyed population did not change much in terms of the principal field of activities, determined on the basis of their mission-related expenditures. Beside the increased percentage of organizations active in the field of *social services, emergency and rescue services*, which resulted from registration of a large group of voluntary fire brigades, it is worth noting the increased percentage of organizations, which concentrate their activities on *local development, training and employment assistance* and the simultaneous decrease in the percentage of organizations that deal with professional matters, employment issues, health care and environment protection.

The rate of growth in the number of active organizations of the third sector was not constant in time. In 1997-2005, the average increase in the number of such organizations was 5 thousand per year, whereas in 2005-2012 this indicator was twice lower (2.3 thousand organizations per year).

Considering the fast growth of the third sector in terms of the number of organizations, it may be surprising to note that their public backing has weakened, especially in terms of the number of individual memberships in these organizations. *Associations and similar organizations*, which accounted for 90% of third sector memberships, noted a 3 million decline in the number of memberships; it is worth noting that the number of memberships decreased by only about 0.4 million in the first 8-year period (1997-2005), whereas in the next 7-year period (2005-2012) this indicator fell by as much as 2.6 million. The simultaneous increase in the number of non-profit organizations and the decrease in the number of memberships results from two coinciding processes – some growth in the number of memberships in newly established organizations, which had less-than-average number of members, was more than offset by a strong reduction in the number of memberships in large organizations.

A similar effect was observed in the case the volunteer work, which is also an important element of human resources of the third sector: the decline in the overall potential coincided with reduction of its stratification. While in 1997-2005 the growth in the number of third sector organizations was accompanied by an increase in the total volume of the voluntary work, the availability of that resource has declined in 2005-2012, in spite of a further increase in the number of organizations. It is worth noting that at the end of that period (i.e., in 2010-2012) the negative trend in the availability of the voluntary work in the third sector has been overcome, as some increase was observed in the number of organizations using the voluntary work, and the volume of voluntary work increased up to 41 thousand FTE.

As far as paid work is concerned, an increase in the number of third sector jobs in 1997-2012 was clearly visible; it manifested as an increased contribution of the average number of persons employed on the basis of employment contract in full-time jobs in the non-profit sector to the total employment in the national economy (expressed in FTE) from 0.8% in 1997 to 1.3% in 2012. However, the number of full-time jobs in the third sector has increased by only a half, whereas the increase in the number of organizations was 3-fold; this disparity corresponds to a significant drop in the percentage of non-profit entities that offered employment based on employment contracts. Just as in the case of other indicators, one can see a change in the dynamics before and after 2005. In 1997-2005, the rate of growth in terms of the number of full-time jobs generated in the surveyed third sector was twice lower than the rate of growth in terms of the total number of these organizations, whereas in 2005-2012 the number of full-time jobs increased at a rate somewhat higher than the growth rate in the number of these organizations; it is worth noting that in 2010-2012 the relative (percentage) growth in the number of full-time jobs (FTE) was twice higher than the relative growth in the number of active third sector organizations.

The third sector labour market has certain distinct features that intensified over time. On the one hand, third sector organizations used part-time employment more often than usual in the national economy; on the other hand, these organizations employed an above-average number of persons who are subject to marginalization in the labour market (women, disabled persons, persons of retirement age).

The increase in the economic activity of the investigated third sector in 1997-2012, measured by costs incurred (in current prices), was about the same as the increase in the number of organizations – the growth was over 3-fold. However, the share of total costs incurred by investigated non-profit organizations, relative to the Gross Domestic Product shows that the actual increase in the economic significance of the non-profit sector was much smaller (the share increased from 1.2% to 1.4%, i.e., by only one ninth in the entire 15-year period).

The increase in revenues of the investigated population of non-profit organizations was closely related to the availability of various sources of financing, especially from public funds. In the first 8-year period (1997-2005), the increase in revenues of the third sector was 3 times less than the increase in the number of active organizations (percentagewise). In the next 7-year period (2005-2012) the relation has been reversed, as the revenues grew at the annual rate of nearly 5 times higher than the annual growth rate in the number of organizations (so that the overall increase in revenues in that period was 96% and the number of organizations increased by 24%). All in all, in the entire period of 1997-2012, the relative growth in revenues of the investigated non-profit sector and the relative growth in the number of organizations were nearly the same (the dynamics of revenues was 297 and the dynamics of the number of non-profit entities was 305, assuming the corresponding reference values as 100 in 1997).

After accession of Poland to the European Union and after the *public benefit and volunteer work act* entered into force, there was a significant shift in the structure of financial resources of third sector organizations. The results of investigations that cover the period of 2005-2012 show the increasing availability of public funds, whose share in total revenues of the third sector increased from 29% to 45%. The most important financial contributions were transfers of funds from local governments (whose contribution increased from 13% to 17%) and foreign contributions, including European funds (which increased from 5% to 12%). Since a large part of public donations and grants from European funds exclude the possibility of providing paid services, the share of revenues from business activities and proceeds from paid statutory activities has significantly dropped, from 45% to 35%, in spite of the official policy of promoting the free-market approach to third sector activities and the support given to the development of social economy (e.g., in the framework of the Human Capital Operational Programme).