

The Story of Social Economy in the Basque Country

Direction

Marta Enciso Santocildes
Aitor Bengoetxea Alkorta
Leire Uriarte Zabala

Publisher

Aitziber Mugarra Elorriaga

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Dykinson, S.L.

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Foundations in the Basque Country: narrative

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10.1. REALITY OF FOUNDATIONS IN THE BASQUE COUNTRY

Basic notions. Origin and definition

Foundations in the Basque Country have historically played a relevant role in social life because of the activities that they conduct and their important social effects. Originally, foundations appeared alongside charity and pious-service activities associated with the Catholic Church. In the 19th century, foundations were considered “dead hands” given the disentailment and separation laws, under which trusts, patronages, and any use of assets, as well as pious works, all declined, prohibiting their future foundation (OREJAS CASAS, 2019). When the Civil Code came in force, a new stage began for foundations, who saw themselves as an instrument for individuals to participate alongside public authorities to meet citizens’ demands by fulfilling purposes for the general interest, replacing the concept of charity with public interest.

Additionally, the Constitution of 1978 set forth the right to foundations for purposes of the public interest in its art. 34. Since this was not exclusive competency of the State (art. 149 Spanish Constitution), the Statute of Autonomy of the Basque Country’s art. 10.13 established exclusive competency on foundations and associations that are educational, cultural, artistic, charity, caregiving, and similar in nature, as long as they mainly conduct their activities in the Basque Country. The first Law on Foundations in the Basque Country is from 1994 (EUSKADI, 1994) and was

the first regulation that gave the Basque foundation sector a comprehensive legal system, even before the first national law on foundations. This law was replaced in 2016 (EUSKADI, 2016) and is still in force.

Foundations can be defined as organisations constituted as not-for-profit entities which, at the desire of their founders, have placed their equity in long-term fashion at the service of public-interest purposes these founders have defined. Promoting a purpose of public interest means, on one hand, that the activity must contribute to human well-being in terms of Human Rights, social action, educational, cultural, and sport actions, or foment equal opportunity, to name a few listed in art. 4-1 LVF (Basque Foundations Law).

On the other hand, foundation activity must benefit generic collectives of natural or legal people, and not with the main purpose of providing their services to the founder or founders or patron or patrons, their spouses, or family members. In any event, criteria to select the beneficiary collective must be objective and impartial (art. 4-2 and 3 LVF).

In this line, one might assert that foundations generate interesting social advantages, since their unique legal form, along with their mission, allows foundations to fulfil a special, unifying role in fomenting social innovation activities. They act as a bridge between public and private institutions and NGOs, and as a springboard in the search for resources, and, to a certain extent, as a social entrepreneur. They can (with more ease than many other kinds of organisations) test new concepts and ways of doing things (ADAM & LINGELBACH, 2015; QUINN ET AL., 2014).

Legal System

Art. 10.13 of the Basque Country's Autonomy Statute (EUSKADI, 1979) recognises the Autonomous Community's exclusive competency over foundations that are educational, cultural, artistic, charitable, for caregiving, and similar in nature, provided they mainly conduct their activity within the Basque Country. Historically, Basque institutions have had competency in regulation, directly related to provincial competency for charity work, and this was maintained until they gained express recognition in the Autonomy Statute.

Under this competency framework, the first Law of Foundations in the Basque Country was proclaimed in 1994 (Law 12/1994 of 17 June), which was substantially amended by Law 9/2016 of 2 June, which is in force today.

The Protectorate and Registry of Foundations in the Basque Country are two administrative bodies that are independent from one another and who exercise duties in assessing and controlling foundations in coordinated

fashion, as well as duties related to registering legal businesses and documents that must be filed with the Registry and other duties set forth in the Law of Foundations of the Basque Country (art. 2-2). At this time, both figures are conjointly regulated by a Decree from 2019 (EUSKADI, 2019), which replaced existing Decrees from 2007 and pursuant to the regulation from 1994 (EUSKADI, 2017 a, EUSKADI, 2017 b).

The Protectorate of Foundations of the Basque Country is configured as an administrative body to assess and provide technical support to foundations. It must facilitate and promote the proper exercise of the foundation's rights, ensuring the legality of foundations' constitution and operations, as well as effective fulfilment of the desires of the founder or founders and the foundation's purposes (art. 6.1, EUSKADI, 2019).

Moreover, the registry of foundations (art. 34, EUSKADI, 2019) is a legal registry that acts as a public service for those who are interested in discovering the content filed there. Its main purpose is the registration of foundations referenced under Law 9/2016 on legal documents and businesses related to foundations.

From the perspective of organisation of the Basque Government's ministries, Foundations are part of the attributions assigned to the Ministry of Public Governance and Self-Government, according to the Decree that sets forth the organic and functional structure of this ministry (EUSKADI, 2017). In turn, within this ministry, this matter falls on the Vice-Ministry of Institutional Relations (art. 8), and also in turn, on the Office of Relations with Local Administrations and Administrative Registers (art. 10-1 section J). Both the Consulting Commission for the Protectorate of Foundations and the Basque Ministry of Foundations are under or linked to this Ministry of Public Governance and Self-Government (ex article 61 LFV).

Foundations receive grants and subsidies from different public administrations (Basque Government, Provincial Councils, Town Halls), not so much because of their legal formula but because of the public-interest activities that they hold: cultural, athletic, employment promotion, etc.

Along with aids and grants, Provincial Councils have established a specific tax scheme for foundations and associations declared of public interest, as well as their federations and associations, given their not-for-profit nature and purposes of the general interest. Moreover, they recognise a tax system for patronage, defined as "private participation in conducting public-interest activities." (ARABA, 1993 and 2004; BIZKAIA 1992, 2019 a, 2019 b; GIPUZKOA 1993, 2004 a, and 2004 b)

In summary, the requirements to access the special taxation system, both for corporate tax and for economic-activity tax (exemption), are

shared by the three provincial regulations, summarised on the table below, and they must all be fulfilled:

Illustration 82. Requirements to access the special taxation system

Requirements
<ul style="list-style-type: none"> • Devote 70% of all income to the public-interest purpose and reinvest the rest. • Economic activities outside their purpose or statutory purpose must not exceed 40% of total income. • Founders and direct relatives may not be beneficiaries of a not-for-profit association directly. The tax system may also not be used for personal benefit. • Patron, bylaw representative, and member of the governing body positions shall not be compensated. • On an annual basis, an economic report must be drawn up that specifies income and expenses throughout the fiscal year.

Source: the authors, based on provincial tax regulations.

Regarding tax incentives for patronage, the three provincial regulations establish that these incentives are applicable to donations and contributions to not-for-profit entities to which the differentiated tax system that regulates them are applicable. Moreover, the three Councils recognise the following institutions as beneficiaries:

Illustration 83. Beneficiary entities of tax incentives for patronage

<ul style="list-style-type: none"> • Public Administration entities in each region, whether provincial, national, from the autonomous community, or local. • Their universities and centres. • Euskaltzaindia-Royal Academy of the Basque Language, as well as the Institute of Spain and Royal Academies integrated into it, as well as institutions of the Autonomous Communities with their own official language that have purposes similar to Euskaltzaindia's. • The Cervantes Institute, the Ramon Llull Institute, and other institutions with similar purposes in the Autonomous Communities with their own official language. • Eusko Ikaskuntza Society of Basque Studies and Euskal Herriaren Adiskideen Elkarte-Bascongada Royal Society of Friends of the Country. • The Spanish Olympic Committee and the Spanish Paralympic Committee. • The Spanish Red Cross and the Spanish National Organisation for the Blind.
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Source: the authors, based on provincial tax regulations.

Basque Confederation of Foundations. FUNKO

The organisation that groups and represents the foundations in the Basque Country is called FUNKO, Basque Confederation of Foundations, and it was created in 2003 at the initiative of 10 people to boost and drive foundations. Its purpose is to act as a platform for Basque foundations to meet and cooperate, conducting actions of interest, facilitating interrelations amongst its associates and work groups, workshops, and other sectorial projects that have been created.

At this time (October 2021), there are 45 affiliated foundations, and together they provide employment to approximately 5,000 people and with an economic activity of 255 million euros. In general, these are the largest foundations in the country, since, although they account for 7.4% of the total number, they provide 38.33% of total employment.

Funko's purpose is to "act as a channel and meeting and cooperation place for Foundations, establishing its own voice in favour of sectorial interests and interlocution with public authorities from a pluralist standpoint," in dialogue with other interlocutors based on cooperation and solidarity. It seeks to act as an instrument for joint reflection, to make decisions to the sector's benefit, and to act as a representative voice to Public, Provincial, Autonomous, National, and Community Administrations. More details can be viewed on these objectives on the table below:

Illustration 84. Objectives of the Basque Confederation of Foundations (FUNKO)

- Act as a channel and meeting and cooperation place for Foundations, establishing its own voice in favour of sectorial interests and interlocution with public authorities from a pluralist standpoint.
- Act as a voice to represent the Foundations sector and dialogue with other interlocutors with the perspective of strictly defending sectorial interests, based on cooperation and solidarity.
- Jointly delimit associated Foundations' unitary strategies, to better conduct their foundational activities.
- Achieve maximum Foundation participation and maximum affiliation, based on plurality.
- Act as an instrument for joint reflection, to make decisions to the sector's benefit, and to act as a representative voice to Public, Provincial, Autonomous, National, and Community Administrations.
- Drive and coordinate initiatives, as well as sectorial projects that meet the Foundations' shared interests.
- Boost and drive the foundation phenomenon, as an instrument of expression for civil society.

Source: the authors, based on information taken from www.funko.eus

Additionally, FUNKO organises educational and training events that are open to all foundations, acting as a forum to exchange ideas between Basque foundations and also for collective action with the Basque Government and other levels and bodies. It also provides legal, accounting, and tax consulting services to its associates.

Statistical Data

According to official data, in 2018 (the latest data available from 2020), the Basque Country has a total of 605 Foundations, which account for almost 51% of other forms of social economy (OFES, in Spanish). The table below shows all entities that fall under this OFES concept and data on each of their relative weight in comparison with the rest.

Illustration 85. Number of OFES entities (Basque Country 2018)

Type of entity	Number of entities	% of total OFES
Foundations	605	51
Public Utility Associations	254	21
Voluntary Social Welfare Entities (EPSV)	155	13
Agricultural Transformation Societies (ATS)	84	7
Work Integration Social Enterprises	43	3,6
Special Employment Centres	37	3,1
Fishermen's Associations	14	1,2

Source: the authors, based on Social Economy Statistics 2018

If we use the search engine for the Registry of Foundations of the Basque Country as a reference, it returns 742 as the number of entities. This divergence is because the registry includes all foundations registered that have not been closed, whether or not they are operative. In fact, a good number of them were detected in this situation, and an analysis is being conducted on those that continue to operate.

Regarding the evolution of numbers with foundations, official social economy statistics show these data from 2010. We can see their progress on the table below, with 3.5% growth during the period.

Illustration 86. Evolution in number of foundations and their relative when compared to the rest of OFES (Euskadi 2018-2020)

Year	Number of entities	% out of total OFES
2018	605	51,00
2016	608	50,20
2014	619	51,55
2012	615	50,20
2010	585	53,80

Source: the authors, based on Social Economy Statistics 2018, 2016, 2014, 2012, 2010

In terms of employment, 46.2% of remunerated employment in OFES is associated with foundations, which in 2018 had 13,045 compensated jobs per year. Regarding their evolution in comparison with the previous statistic (2016), there was a 10.4% increase in this number. By gender, 39.9% are contacts for men and 60.1% are for women. Additionally, 76% are permanent jobs and 24% are temporary.

We have compensated employment indicators, beginning since there was a registry with the official social economy statistics (2010), along with segregation by gender and type of contract, set forth in the table below:

Illustration 87. Number of jobs at foundations, segregated by gender and type of contract (Basque Country 2018-2020)

Years	Num employees	% by gender	% contract type
2018	13.045 46,2% total OFES	60,1% women 39,9% men	76% permanent 24% temporary
2016	11.811 45,8% total OFES	57,6% women 42,4% men	78,9% permanent 21,1% temporary
2014	10482 45,1% total OFES	60,9% women 39,1% men	82,4% permanent 17,6% temporary
2012	12.315 46,6% total OFES	Not available	Not available
2010	12.448 % total OFES (not aviable)	Not available	Not available

Source: the authors, based on Social Economy Statistics 2018, 2016, 2014, 2012, 2010

Along with compensated employment, OFES mobilise a volunteer collective that was estimated in 2018 at 25,236 people, of which 26.6% would fall under structural volunteers and 73.4% sporadic helpers. The foundations have a total of 5,322 volunteers (21% of all OFES volunteers), which along with volunteers in public utility associations (19,878 people, 78.8% of total), account for 99.8% of total volunteers in OFES in the Basque Country. With foundations, most volunteers are women (55.6%), although out of all OFES, the greatest percentage of volunteers are men (62.4%). A large portion of volunteers who collaborate with foundations are structural in nature (48.0%). The evolution of these indicators is shown on the table below.

Illustration 88. Number of volunteers in foundations segregated by gender and type of relationship (Basque Country 2018-2020)

Years	volunteers	% by gender	% by relationship
2018	5.322 21% OFES	55,6% women 44,4% men	26,6% structural 73,4% sporadic
2016	4.342 % OFES not available	58,8% women 41,2% men	58% structural 42% sporadic
2014	10.730 56,6% OFES	52,9% women 47,1% men	64,4% structural 35,6% sporadic
2012	Not available	Not available	Not available
2010	3.553 % OFES not available	Not available	Not available

Source: the authors, based on Social Economy Statistics 2018, 2016, 2014, 2012, 2010

In terms of billing, OFES account for a global figure of 2.2 billion euros (9.5% greater than in 2016). In the same year, the foundations invoiced over 566 million euros, 28.2% more than the previous record in 2016. Moreover, they receive an ensemble of subsidies for 468.3 million (66% of all subsidies received by OFES), which account for 34.4% of their billing.

Moreover, and in terms of economic results, foundations have generated positive financial results of almost 145 million euros, and a Gross Added Value (GAV) of 219 million euros, accounting for 84% of all GAV generated by OFES. The evolution of these items is shown on the table below.

*Illustration 89. Economic data on foundations (Basque Country 2018-2020)
(numbers in millions of euros)*

Years	billing	Subsidies	Financial results	GAV
2018	556	468,3	145	219
2016	442	465,6	Not available	158
2014	524	431	Not available	267
2012	610	Not available	-22,8	361
2010	875,6	442	-15,7	360,7

Source: the authors, based on Social Economy Statistics 2018, 2016, 2014, 2012, 2010

10.2. DRIVING NOTIONS OF FOUNDATIONS IN THE BASQUE COUNTRY

Foundations as part of the Social Economy

Regarding their relationship with the social economy, foundations form a part of it, although, just like with associations, only those that are independent and conduct economic activities (art. 5 Law 5/2011 of 29 March on Social Economy). Their not-for-profit nature and their focus on general-interest purposes in society means that autonomous foundations (not at the service of a governmental office) with economic activity do indeed form a part of the social economy. The activity of this sort of foundation tends to be geared toward serving families and promoting the shared social, cultural, and economic good.

On the other hand, these entities fulfil the requirements sets forth in art. 4 of the aforementioned Law on Social Economy:

- Prioritising people and the social purpose over capital, since this is equity placed at the service of public interest, which must benefit generic collectives of natural or legal persons. Moreover, the management model is autonomous and transparent, democratic, and participatory, and this leads to prioritising decision-making that is more people-based. This model is correlated by art. 28 “principles of management and operation” in the Basque Law on Foundations.
- Profits obtained from economic activity are mainly allocated based on the work contributed and the service or activity conducted by members and, if applicable, to the entity’s social purpose. In this case, if equity management provides positive financial returns, at

least 70% of them should be applied to the foundation's purpose, and the leftover 30% to strengthening its economic reserves (art. 29-2 Basque Law on Foundations).

- Promoting internal solidarity and solidarity with society, favouring commitment to local development, equal opportunity between men and women, social cohesion, integration of people at risk of social exclusion, creating stable and quality employment, a personal-family-work life balance, and sustainability.
- Independence from public authorities.

Foundations share features of the social economy as a whole in the Basque Country

Indeed, Foundations fulfil the shared characteristics of all Social Economy entities, as defined in the Story on Social Economy in the Basque Country (several authors, 2019), which in summary would be:

Central role of people in foundations

Foundations are organisations based on the central role of people. The fact that this sort of organisation is not-for-profit entails the principle that people are prioritised over capital, since the activity (whether economic or not) that it conducts never seeks to make an investment profitable in order to distribute the profits it may reap; rather, the objective is to provide a response, with the foundation's equity, to the needs of society in general (and of people and collectives in particular). In fact, foundations' social purpose is normally focused on personal development (e.g., including the disabled, education, sport, culture, etc.), both for beneficiaries and for workers

Democratic nature of foundations

Foundations are structured into democratic organisational models, which translates to practises related to decision-making, inter-cooperation policies, and transparency and information.

The patronage is the highest body at foundations (art. 13 LFV), as the body of governance and representation. Its purpose is to fulfil the foundation's purposes and diligently administer the goods and rights in the foundation's equity, and it operates under the principles of democracy.

Social economy organisations are independent from public authorities, and they must not be controlled by governmental bodies or political parties. Most foundations, except for those created by different State agencies or

other public administrations, are independent in this regard. As such, they fulfil the requirement for autonomy.

Foundations are organisations that also seek inter-cooperation. While there are no inter-cooperation mechanisms of widespread applicability, there are referential examples that demonstrate the potential of inter-cooperation for this sector. In fact, very powerful collaboration processes occur at different levels. Firstly, amongst foundations, whether members of FUNKO (for example, the Network of Museums) or with other foundations. In the same fashion, they collaborate with other entities that conduct similar tasks, although under a different legal formula, such as Associations, who are provided more than anything with training services.

On the other hand, transparency in management is another characteristic of foundations that nurtures their democratic nature. The very characteristics of foundations mean that they must be transparent organisations, binding themselves to their own principles of operation.

The foundation sector is convinced that transparency is necessary and positive, since, in addition to other matters, it provides for better communication with society. Funko promotes and helps Foundations to implement transparent management to benefit all citizens. In this vein, compliance certification for foundations improves their transparency and confidentiality, as well as their management structures and processes (WORLD COMPLIANCE ASSOCIATION, 2020). The first to obtain this certification in the Basque Country was the San Prudencio Foundation, which at this time is providing the compliance implementation service at companies.

In this case, there are also several examples of good practises related to transparency in managing foundations. Some of them have outside recognition of transparent management, as innovative experiences in implementing information systems about the social value they create, as we will see in section 4.2. This is the case, for example, in the museum sector, which of all Autonomous Communities is most transparent in the Basque Country with its three leading museums: Bilbao Fine Arts Museum, the Bilbao Guggenheim Museum, and ARTIUM, Basque Centre-Museum of Contemporary Art. Moreover, the latter is recognised as the most transparent museum in the country (FERNÁNDEZ SABAU ET. AL, 2018)

Lastly, while it is true that only members of the foundation's patronage are legally enabled to vote on formal and binding decisions, foundations are organisations that foment participation in managing their workers and seek out the informal participation of their beneficiaries, acting as natural examples of participatory organisations

Business dimension of foundations

Although the economic dimension is not the ultimate purpose of the foundations, we can state that their contribution to the economy is relevant. According to the latest official data (SOCIAL ECONOMY STATISTICS, 2018), in 2018, foundations generated a gross added value of more than 219 million euros, creating 13,045 jobs. Moreover, these foundations are known to be very sustainable organisations, with few cases of bankruptcy.

In fact, there are foundations in the ACBC that could be considered sectorial role models. For example, Teknalia is one of the leading research centres, and the Lantegi Batuak Foundation is one of the most important employment centres in the ACBC. The most charismatic museums, such as the Guggenheim, the San Sebastian Aquarium, and the Fine Arts of Bilbao, are also foundations.

Foundations' commitment to the community

Foundations are organisations with deep roots in the region. Known for low outsourcing, these roots are also known for constantly (re)-investing equity and profits into the community. In fact, it is mandatory that the foundations' equity be devoted to the public interest, so investments are in harmony with society's needs.

In this line, foundations are bound to reinvest at least 70% of their profits (in practise, this percentage is normally higher) for foundational purposes, using the rest to increase reserves. Lastly, in the event of liquidation, leftover equity is not normally distributed amongst individuals, and this leftover equity is allocated to not-for-profit public or private entities who seek public-interest purposes. These particularities demonstrate foundations' true commitment to their environment.

On the other hand, these are organisations that promote social cohesion (this is the purpose of many foundations that work in culture, social services, or the Basque language, etc.), social capital (they weave networks of relationships, promoting the participation of people and offering orientation to foment greater commitment to society), and social transformation (in search of a fairer, more inclusive, and more advanced society).

10.3. CHARACTERISATION

Within all foundations as a whole, we can find a wide variety of entities in terms of their social purposes, their origins, or their dimensions.

Firstly, we find variety in foundations in the social purpose they seek, in harmony with the wide range that is not an exhaustive list in art. 4-1 of the LFV, with the shared element being to serve the public interest. Thus, we find foundations that conduct activities in culture, job placement, education, promoting the Basque language, museum activities, cooperation for development, business, sport, and technology, to just name a few.

The Basque statistics service EUSTAT provides distribution by area of activity in coherence with the sections into which the Registry of Foundations is organised:

Illustration 90. Number of foundations by area of activity (ACBC, 2018) (latest data available 20 November 2020)

Activity conducted	Number	% out of total
Education and research	241	35,92
Charity-caregiving and employment	189	28,17
Cultural, youth, and sport	141	21,01
Other areas	100	14,90
Total	671	100

Source: the authors, based on the MINISTRY OF PUBLIC GOVERNANCE AND SELF-GOVERNMENT (2018)

Secondly, within the scope of foundations, we find a wide variety of founders or founding entities. We find companies, financial institutions, athletic clubs, public administrations, or individuals who wish to give all or part of their equity to a certain social purpose.

Lastly, and in terms of their size, the average size of foundations in numbers of employees is 21.4, according to social economy statistics from 2018. The data are very similar to public-utility associations (16.2) and Work Integration Social Enterprises (16.7).

Under OFES, the largest entities are special employment centres, with an average number of employees of 269.9. What we do see in different statistical registries are increased sizes of foundations over time, just like other entities (16.9 in 2014 and 19.4 in 2016).

Additionally, numbers from 2010 indicate the existence of a large business collective that does not have compensated staff or associated wages and salary items. 42.2% of foundations in the sample are in this situation, with another 30.8% having up to 15 employees, and 13.3% between 16 and

50 employees. Only 13.6% of Foundations have more than 50 compensated employees. While this breakdown is not provided in following official statistics, the degree of stability in foundations, and the discrete growth in size in terms of employees, leads us to believe that the distribution would be similar. In fact, we see that the 45 foundations associated with FUNKO (7.4%) account for almost 40% of total employment in the sector, which means that 92.6% of foundations account for 60% of employment.

10.4. CHALLENGES

Raising visibility and the extent of society's knowledge of foundations

In the social economy survey, one of the items measured is the assessment of outside social perception of social economy. This section tends to provide interesting data. In the one from the last year (2018), “Only one out of every four social economy enterprises perceives a positive assessment from Basque society in terms of the role they play and their contribution to the socioeconomic development of the Basque Country.” While this result refers to cooperatives and worker-owned companies, it can be extrapolated to all social economy entities, and consequently, to foundations.

In general, society has heard of foundations and could perhaps mention a few, but society would find it difficult to point out their identifying features or fundamental characteristics, meaning what sets them apart from other similar figures. Barring perhaps cooperation foundations for development (Mundukide, Alboan), or foundations that banks use to channel their social work or athletic clubs because of the clubs' connection with citizens, there are perhaps not many more examples. And this is despite the fact that citizens are oftentimes users or beneficiaries of their work. The image tends to be positive, it is associated with a social purpose, with entities that have an impact, and that create social value... But even on this point, we must communicate the social value created by foundations to society, which would help to understand how they are public-interest entities in the fullest dimension, which leads us to the following challenge.

Measure and share the social value created by foundations

By their very nature, foundations are entities with social purposes and of the public interest. It is therefore fundamental that they measure their

impact beyond classic statistical dimensions, such as jobs, income, or added value (AV). The fact that economic value and social value are separated entails a problem, both socially and in terms of internal management, and since social value is not documented, it is undervalued (RETOLAZA ET AL, 2014). As such, it is vital to document the social impact of foundations, both through their economic activity and with their own specific social value in environmental, social, labour, community issues, etc.

We find different systems to measure impact, such as GRI (Global Reporting Initiative), or SDGs can be turned into a measurement mechanism, or systems to monetise social value. Regardless of the system used, the suggestion has been given to foundations to learn to “manage impact,” which means managing systems, processes, culture, and capacities related to measuring social impact (HEHENBERGER ET AL, 2020)

Thus, for example, Lantegi Batuak applied the methodology to calculate the integrated social value it generates. This can be viewed for the period from 2007 through 2011 (RETOLAZA ET AL, 2014) and also annually on their webpage. This mechanism furthermore allows them to communicate easily and directly, making the information simple to understand and to share with society. For example, (LANTEGI BATUAK, 2020)

Last year, the Integrated Social Value was 207M€, and over 1.5B€ in the past 10 years.

For each public euro received, Lantegi Batuak contributes approximately 13€ to society, helping to make the region more cohesive and to develop Biscay’s business and social fabric.

Another relevant example is the Valle Salado de Añana Foundation (2018), committed to a model that considers current and future economic, patrimonial, social, and environmental repercussions. Their model takes the World Charter for Sustainable Tourism’s principles (2015), which includes the 17 Sustainable Development Goals.

Mundukide, the Aquarium of San Sebastian, Alboan, Gureak Group, BBK Fundazioa, and more, are models of good practises.

Some foundations are bound to draw up transparency reports, acting as private entities who receive public grants or subsidies over the course of a year that are greater than 100,000.00€ (SPAIN, 2013). These reports and sharing them on webpages also help to discover and value foundations in terms of their organisation and legal structure, governing bodies, and certain economic information.

In the same fashion, some foundations must draw up a non-financial information report (SPAIN 2018) whose objective is to contribute to

measuring, supervising, and managing the performance of enterprises and their impact on society, as well as sustainability, combining long-term profitability with social justice and environmental protection. Their content, set forth in art. 49 of the Code of Commerce, must generally include the information necessary to understand the company's evolution, profits and losses, and situation, and the impact of their activity on at least the following:

- environmental issues, such as pollution, circular economy, waste prevention and management, sustainable resource use, climate change, and biodiversity.
- social and staff matters, including measures which, if applicable, have been taken to encourage the principle of equal treatment and opportunity between women and men, non-discrimination and inclusion of disabled persons, and universal accessibility.
- respecting human rights, applying due-diligence procedures, preventing risks of violating human rights and, if applicable, measures to mitigate, manage, and repair possible abuse, amongst other content.
- the fight against corruption and bribery, measures taken to prevent corruption and bribery; measures to fight against money laundering, contributions to not-for-profit foundations and entities.
- society itself, in relation to their commitment to sustainability, suppliers, and subcontractors, consumers, and tax information by country.

We can see a template of this report for the Gureak Group (GUREAK, 2019). In addition to complying with regulations, it is a shining expression of the social value they create.

Keeping foundations as key agents to achieve Sustainable Development Goals (SDGs)

The UN General Assembly adopted the 2030 Agenda for Sustainable Development, with 17 Goals and 169 targets that encompass economic, social, and environmental matters. This is an action plan for people, the planet, and prosperity, and that also seeks to strengthen world peace and access to justice. States commit to mobilising the resources necessary to reach them, although this Agenda entails a shared universal commitment. To this end, along with the administration, enterprises, and organisations in civil society, foundations are key players in moving forward with the Agenda's goals.

The United Nations Development Program (UNDP) acknowledges the essential contribution of foundations to several different areas that fall under the domain of SDGs. For example, areas related to the well-being of people (health, education, gender equality, fighting poverty, and hunger), the environment (water and sanitation, responsible production and consumption, land ecosystems, and life below water), dignified work, reducing inequalities, and fighting for peace and justice, to name a few.

Funko promotes specification of SDGs and proposes integrating them into foundation and association management, in all actions they conduct, sharing the results they have obtained through reports.

As an example, we might mention the Aquarium of San Sebastian, which sets forth the SDGs as part of its strategic planning, establishing these goals in consideration of its essence as a foundation (FUNKO 2020):

- SDG 14 (life below water) Raise awareness and sensitivity in society regarding the underwater environment by exhibiting, preserving, and researching flora, fauna, and heritage in different oceans and seas, placing special emphasis on the Cantabrian Sea.
- SDG 11 (sustainable cities and communities) Share our maritime and fishing traditions and memory based on safeguarding, exhibiting, and sharing collections of great historical and emotional value.

10.5. CONCLUSIONS

Foundations are organisations constituted as not-for-profit entities which, at the desire of their founders, have placed their equity in long-term fashion at the service of public-interest purposes these founders have defined. With the Basque Country, this is an exclusive competency, and at this time, Law 9/2016 on Basque Foundations is in force.

Public authorities support foundations based on their public-interest purposes and the social value they create through different policies: law, grants and subsidies, and a specific tax scheme.

As a representative entity, the purpose of the Basque Confederation of Foundations, FUNKO, is to drive and promote foundations.

Within OFES (other forms of social economy), foundations account for 51% of total entities, 46.2% of compensated employment (especially permanent staff, and with a greater percentage of women), and a volunteer collective of over 25,000 people.

In economic terms, the last year on record (2018), foundations invoiced over 566 million, creating a gross added value of 219 million, 84% of everything generated by OFES.

There are two driving notions of note. On one hand, the fact that foundations are part of the Social Economy and fulfil the requirements set forth in the social economy law, and on the other, they are aligned with the features of social economy in the Basque Country: (1) the central role of people, (2) democratic in nature, (3) the business dimension, and (4) commitment to the community.

There is broad casuistry within foundations in terms of the scope of their activity, size, and founding persons or entities.

At this time, foundations are facing a series of challenges. Firstly, to raise their visibility and the extent to which society is aware of them. Secondly, to measure and share the social value created by foundations, since if this is not documented, it is undervalued. And thirdly, their nature as a key player in terms of SDGs.

10.6. REFERENCES AND SOURCES

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