

MULTIPLE APPROACHES TO THE FOUNDATION SECTOR IN THE BASQUE COUNTRY. THE CASE OF LANTEGI BATUAK

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Abstract

Foundations have played an important role in social life in the Basque Country. Foundations, that are part of the Social Economy, are non-profit-organizations and apply their assets to the achievement of general interest purposes. This article analyses the Foundational sector in the Basque Country from different approaches: legal, social and economic. Their characteristic features and current challenges will also be analyzed. Finally, a very relevant case study will be developed: Lantegi Batuak Foundation, whose aim is to promote and achieve the social and occupational integration of people with disabilities by creating quality employment opportunities.

Keywords: Foundations, Social Economy, persons with disability, social integration, labor integration.

1. Origin and definition of Foundations in the Basque Country

Foundations in the Basque Country have historically had a relevant role in social life due to the activities carried out and their important social effects. Originally, the Foundations appeared together with charitable and welfare activities of a pious nature, associated with the Catholic Church.

With the entry into force of the Civil Code (1889), a new stage began for the Foundations that were conceived as an instrument for the participation of individuals alongside the public powers for the satisfaction of the demands of citizenship through compliance for general interest purposes, replacing the concept of charity with that of public interest. The Spanish Constitution of 1978 included in its article 34 the Right of Foundation for purposes of general interest, within the chapter on Rights and Freedoms.

Foundations can be defined as non-profit organizations which, by the will of their founders, have their assets permanently assigned to the realization of general interest purposes defined by them. The promotion of a purpose of general interest means, on the one hand, that their activity must contribute to human welfare in areas such as human rights, social action, educational, cultural and sporting activities or the promotion of equal opportunities as listed in Article 4-1 of the Basque Law on Foundations (hereinafter BLF).

On the other hand, the founding activity must benefit generic groups of persons, natural or legal, and not with the main purpose of allocating its benefits to the founding person or persons, or to the employers,

their spouses or family members. In any case, the selection criteria for the group of beneficiaries must be objective and impartial (art. 4-2 and 3 BLF).

It can be stated that the Foundation generates interesting social advantages, since its unique legal form, together with its mission, allows the Foundation to fulfill a special and unifying role in the promotion of social innovation activities. It serves as a bridge between public and private institutions and NGOs, as a lever in the search for resources and, to a certain extent, as a social entrepreneur, allowing itself - more easily than many other types of organizations - to try new concepts and ways of doing things (ADAM & LINGELBACH, 2015; QUINN et al., 2014)

Foundations are part of the concept of Social Economy (SE), established in Spain by law in 2011 (Law 5/2011, of 29 March, on Social Economy, hereinafter SEL). It is defined as the set of economic and business activities carried out in the private sphere by those entities that, in accordance with the principles set out in article 4, pursue either the collective interest of their members or the general economic or social interest, or both (art. 2 SEL).

From the point of view of legal structures (art. 5-1 LES), the following fall into this category: Cooperatives, Mutual Societies, Foundations and Associations that carry out economic activity, Labor Societies¹, Work Integration Social Enterprise WISE),

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¹ Labor societies are a legal type existing only in Spain and regulated by Law 44/2015, 14th October on worker-owned companies. Their most relevant characteristic is that the majority of the share capital must belong to workers, admitting a minority equity participation by external investors.

Special Employment Centers², Fishermen's guilds³, Agricultural Transformation Companies⁴.

Foundations therefore form part of the Social Economy, although, as in the case of Associations, only those that are independent and carry out economic activities.

Likewise, these entities meet the requirements established in article 4 SEL:

a) Primacy of people and the social purpose over capital, since the assets are placed at the service of a general interest, which must benefit generic collectivities of people, whether natural or legal. Likewise, the model of management that it includes (autonomous and transparent, democratic and participative, which leads to prioritizing decision making more in terms of people) has a correlative in art. 28 "principles of management and operation" (BLF).

b) Application of the results obtained from the economic activity based mainly on the work provided and the service or activity carried out by the members and partners or by their members and, where appropriate, to the corporate purpose of the entity. In the case of Foundations, if asset management generates positive financial returns, a minimum of 70% of these must be applied to the purpose of the Foundation and the remaining 30% to strengthen its economic reserves (Art. 29-2 BLF)

c) Promotion of internal solidarity and with society that favors commitment to local development, equal opportunities between men and women, social cohesion, the insertion of people at risk of social exclusion, the generation of stable employment and quality, the balance of personal, family and work life and sustainability.

d) Independence from public powers. Social Economy organizations are independent from the public powers, and their control should not be subordinated to government agencies or political parties. Foundations, except those created by different agencies of the State or other public administrations, are independent in this sense; thus complying with this autonomy requirement.

2. Legal analysis of Foundations in the Basque Country

As already indicated, the Spanish Constitution of 1978 (SC) included in its article 34 the right of Foundation for general interest purposes. As the State does not have the exclusive competence on Foundations (art. 149 SC), the Basque Statute of Autonomy in its article 10.13 establishes exclusive competence in matters of educational, cultural, artistic, charitable, welfare and similar Foundations and

associations, as long as they mainly carry out their functions in the Basque Country. Basque institutions have historically had competence in their regulation, directly linked to the regional competence in matters of charity, and this has been maintained without solution of continuity until its recognition in the Statute of Autonomy.

The first Law on Foundations in the Basque Country dates from 1994 (Law 12/1994 of June 17), and it was the first norm that provided a comprehensive legal regime to the Basque Foundation sector. This law was substantially modified in 2016 (Law 9/2016 of June 2), and is currently in force (hereinafter BLF).

The Protectorate and the Registry of Foundations of the Basque Country are two independent administrative bodies, which exercise in a coordinated way the functions of advising and controlling Foundations, as well as those relating to the registration of acts and legal businesses that must access the Registry and other functions established in the Law of Foundations of the Basque Country (art. 2-2 BLF). At this time, both figures are jointly regulated by a Decree of 2019 (BASQUE COUNTRY 2019), which replaced the existing Decrees dated 2007 and in accordance with the 1994 regulations (BASQUE COUNTRY, 2017 a, BASQUE COUNTRY, 2017 b) The Protectorate of Foundations of the Basque Country is configured as an administrative body of advice and technical support for Foundations, which must facilitate and promote the correct exercise of the right of Foundation, ensuring the legality of the constitution and operation of Foundations, as well as for the effective fulfillment of the will of the founding person or persons, and the Foundational purposes (art. 6.1, BASQUE COUNTRY, 2019)

The registry of Foundations (art. 34, BASQUE COUNTRY, 2019) is a legal registry that is configured as a public service for those who have an interest in knowing the content deposited in it, being its main object the registration of Foundations within the scope of BLF and the acts and legal businesses related to them.

From the point of view of the organization of the Basque Government departments, Foundations are part of the attributions assigned to the Department of Public Governance and Self-government, according to the Decree that establishes the organic and functional structure of that department (BASQUE COUNTRY, 2017). In turn, within said department, this area is assigned to the Vice-Ministry of Institutional Relations (art. 8), and within the Directorate of Relations with Local Administrations and Administrative Records (art. 10-1 section J). Both the Advisory Commission of

² Work Integration Social Enterprise (WISE) are non-profit entities that promote the socio-labor inclusion of people with disabilities.

³ Fishermen's guilds are public law corporations with legal personality and the capacity to act for the fulfillment of their purposes, which are legally established as a participatory and collaborative channel of the fishing sector with the public administrations in defense of the general interest of fishing, shell fishing and aquaculture, and of the organization and marketing of their products.

⁴ The Agricultural Transformation Companies are civil societies with an economic and social purpose in relation to the production, transformation and commercialization of agricultural, livestock or forestry products, the improvement of the rural environment, agricultural promotion and development, as well as the provision of common services related to the aforementioned concepts. Therefore, they have their own legal personality and their authorization requires firstly their constitution and secondly their registration in the corresponding register.

the Protectorate of Foundations and the Basque Council of Foundations are attached to or linked to this Department of Public Governance and Self-Government (ex article 61 BLF)

Foundations receive aid and subsidies from the different public administrations (Basque Government, Provincial Councils, Town Councils), not so much because due to their legal status, but because of the general interest activities they carry out: cultural, sports, promotion of employment, etc.

Along with aid and subsidies, Provincial Councils establish a specific tax regime for Foundations and public utility Associations, as well as their federations and associations, due to their non-profit nature and the pursuit of general interest purposes. They also recognize a tax regime for patronage, defined as "private participation in the performance of activities of general interest". (ARABA, 1993 and 2004; BIZKAIA 1992, 2019 a, 2019 b; GIPUZKOA 1993, 2004 a and 2004 b).

The requirements for access to the special taxation regime for both corporate tax and economic activity tax (exemption) are summarized in the following table. The full set of these requirements must be complied with:

Table 1. Eligibility for the special taxation regime

Requirements
Dedicate 70 % of all revenues to the general interest purpose, and reinvest the rest.
Economic activities unrelated to its statutory object or purpose shall not exceed 40% of its total income.
The founders and their immediate family members cannot be direct beneficiaries. Nor can they benefit from the tax regime for personal purposes.
The positions of trustee, statutory representative and member of the governing body are not remunerated
An annual financial report specifying the income and expenditure for the financial year must be drawn up

Source: elaborated by the authors in accordance with provincial tax legislation

With regard to tax incentives for patronage, the provincial regulations establish that these incentives are applicable to donations, gifts and contributions made in favor of non-profit organizations to which the differentiated tax regime they regulate is applicable.

3. Characterizing features of Foundations in the Basque Country

3.1. People-centredness

Foundations are organizations based on the centrality of people. The fact that these types of organizations are non-profit organizations means that the principle of the primacy of people over capital is fulfilled, since the activity (economic or otherwise) that they carry out never seeks to make an investment profitable in order to distribute the profits, but rather the

objective is to respond, with the Foundation's assets, to the needs of society in general and of individuals and groups in particular. Moreover, it is usual that the social purpose of Foundations is focused on the development of people (e.g. inclusion of people with disabilities, education, sport, culture, etc.), both for the beneficiaries and in some cases for the employees as well.

3.2. Democratic character

Foundations are structured in organizational models of a democratic nature, which translates into decision-making and transparency practices.

The board of trustees is the supreme body of the Foundations as the governing and representative body of the Foundation (art. 13 BLF). Its function is to fulfil the Foundational purposes and diligently administer the goods and rights that make up the Foundation's assets, and it operates under the principles of democracy. While it is true that only the members of the Foundation's board of trustees are legally entitled to vote in its formal and binding decisions, Foundations are organizations that encourage participation in the management of their workers and seek the informal participation of their beneficiaries, being natural examples of participatory organizations.

3.3. Transparency

On the other hand, transparency in management is another characteristic of Foundations that nourishes their democratic nature. This means that, as part of their own nature and linked to their operating principles, Foundations must be transparent organizations.

From the Foundational sector there is the conviction that transparency is necessary and positive since, among other issues, it allows to establish a better communication with society. Funko⁵ promotes and helps Foundations in the implementation of a transparent management. The compliance certification of the Foundations allows improving their transparency and confidentiality, as well as their management structures and processes (WORLD COMPLIANCE ASSOCIATION, 2020). The first to achieve this certification in the Basque Country was the San Prudencio Foundation, which is currently providing a compliance implementation service for companies.

In this realm, there are also numerous examples of good practices in relation to management transparency in Foundations. Some of them have received external recognition for transparent management, such as innovative experiences in the implementation of information systems on the social value they generate, as will be seen in section 6. Thus, for example, in the museum sector, the Basque Country continues being the most transparent of the Spanish Autonomous Communities with its three reference museums: the Bilbao Fine Arts Museum, the Guggenheim Museum Bilbao and the Artium Basque

⁵ Funko, the Basque Confederation of Foundations, is the organization that brings together and represents Foundations in the Basque Country. See in this regard point 4.6 below.

Museum of Contemporary Art. Moreover, the latter is recognized as the most transparent museum in Spain (FERNÁNDEZ SABAU, et. al, 2018).

3.4. Business dimension

Although the economic dimension is not the ultimate aim of Foundations, it can be affirmed that their contribution to the economy is relevant. According to the latest official data (Social Economy Statistics, 2018), Foundations generated in 2018 a gross added value of more than 219 million euros, creating 13,045 jobs. They are also characterized by being highly sustainable organizations, with few cases of bankruptcy.

Moreover, there are Foundations in the Basque Country that can be considered sectoral benchmarks. For example, Teknalia is one of the leading research centers or Lantegi Batuak Foundation is one of the most important special employment centers in the region. The most charismatic museums, such as the Guggenheim, the Aquarium in Donostia or the Fine Arts Museum in Bilbao, are also Foundations.

3.5. Community engagement

Foundations are organizations with deep roots in the territory. This rootedness, in addition to their limited relocation, is characterized by their continuous (re)-investment of their assets and results in the community. In fact, the assets of Foundations are obligatorily dedicated to the general interest, so that the investments made are in tune with the needs of society.

Moreover, Foundations are obliged to reinvest at least 70% of the results obtained (in practice this percentage is usually higher) in the Foundational purposes, with the remainder being used to increase reserves. Finally, in the event of liquidation, surplus assets may not be distributed to private individuals and are earmarked for public or private non-profit entities that carry out general interest purposes. These particularities reflect the real commitment of the Foundations to the community.

On the other hand, they are organizations that promote social cohesion (this is the aim of many Foundations that work in the field of culture, social services, or the Basque language...), social capital (they weave relational networks, promoting people's participation and offering guidance to encourage greater commitment to society) and social transformation (in search of a more equitable, inclusive and advanced society).

3.6. Inter-cooperation processes

Foundations are organizations that also seek inter-cooperation. Although there are no inter-cooperation mechanisms that are widely applicable, there are examples that reflect the potential of inter-

cooperation for this sector. In fact, there are very powerful collaboration processes at different levels. The organization that brings together and represents Foundations in the Basque Country is called Funko, the Basque Confederation of Foundations. It was created in 2003 on the initiative of a group of 10 people to promote and strengthen the Foundational phenomenon in the region. The aim is to constitute a platform for Basque Foundations to meet and cooperate, developing actions of interest, facilitating the interrelation between its members and creating working groups, conferences and other sectorial projects.

Funko aims to constitute an instrument for joint reflection, decision-making in favor of the sector, and a representative voice before the Public, Regional, Autonomous, State and Community Administrations.

Funko also organizes training and informative events open to all Foundations, providing a forum for the exchange of ideas between Basque Foundations before the Basque Government and other bodies and organizations. It also provides a legal, accounting and tax consultancy service for its members.

Lastly, it promotes collaboration between Foundations, even if they are not members of Funko, as well as with other Foundations. In the same way, it collaborates with other entities that carry out similar tasks, although under a different legal formula, as in the case of the Associations to which it also provides services, especially training services.

4. Socio-economic analysis of the Foundations sector in the Basque Country

According to official data, as of 2018 (latest available data, from 2020), the Basque Country has a total of 605 Foundations, which represent almost 51% of the so-called other forms of social economy (OFSE)⁶.

The following table shows all the entities that form part of this OFSE concept and the data on the relative weight of each one with respect to the whole.

Table 2. Number of OFSE entities. Basque Country 2018

Type of entity	Number of entities	% of total OFSE
Foundations	605	51
Public Utility Associations	254	21
Voluntary Mutual Social Entities	155	13
Agricultural Transformation Companies	84	7
Work Integration Social Enterprise (WISE)	43	3,6
Special Employment Centers	37	3,1
Fishermen's guilds	14	1,2

⁶ The official statistics on the social economy in the Basque Country are divided into two main sections. On the one hand, Cooperatives and Labor societies are analyzed, and on the other, the rest of the social economy entities, which are called "Other Forms of Social Economy (OFSE): Mutual Societies, Foundations and Associations that carry out economic activity, Work Integration Social Enterprise (WISE), Special Employment Centers, Fishermen's guilds, Agricultural Transformation Companies.

Source: elaborated by the authors in accordance with Social Economy Statistics 2018

Taking the search engine of the Basque Country Foundations Register as a reference, indicates that there are 742 entities. This discrepancy is due to the fact that the register includes all those Foundations registered that have not been extinguished, whether they are operational or not. In fact, a good number of them have been detected in this situation and an analysis is being carried out of those that are still in operation.

With regard to the numerical evolution of Foundations, the official statistics on the social economy include this data since 2010, and the following table shows their progress, representing a growth of 3,5% over the period.

Table 3. Evolution of the number of Foundations and their relative weight within OFSE. Basque Country. 2018-2010

Year	Number of entities	% of total OFSE
2018	605	51
2016	608	50,2
2014	619	51,55
2012	615	50,2
2010	585	53,8

Source: elaborated by the authors in accordance with Social Economy Statistics 2018, 2016, 2014, 2012, 2010.

Within the group of Foundations, there is a wide diversity of entities in terms of the social purpose they pursue, their origin or their size.

Firstly, the variety in the field of Foundations is to be found in the social purpose they develop, in line with the wide range set out in article 4-1 of the BLF, being their common element to serve purposes of general interest. Thus we find Foundations that carry out cultural activities, employment integration, education, promotion of the Basque language, museum activities, development cooperation, business, sports or technological activities, to mention just some of them.

The Basque statistics service, EUSTAT, provides a distribution by area of activity in coherence with the sections into which the Foundations Register is organized:

Table 4. Number of Foundations by area of activity. Basque Country. Year 2018 (last available dated November 20, 2020)

Activity Developed	Number	% of total
Teaching and research	241	35,92
Charitable-welfare and labor	189	28,17
Cultural, youth and sports	141	21,01
Other areas	100	14,90
Total	671	100

Source elaborated by the authors in accordance with DEPARTMENT OF PUBLIC GOVERNANCE AND SELF-GOVERNMENT (2018)

Secondly, there is a wide variety of Foundations depending on the founding persons or entities. Thus, we find companies, financial institutions, sports clubs, the public administration itself or private individuals who wish to endow all or part of their assets for a specific social purpose.

Finally, in terms of size, the average size of Foundations in terms of the number of jobs is 21,4 according to the 2018 social economy statistics. The data is very similar to that of public utility associations (16,2) and insertion companies (16,7), and is far from that of special employment centers, with an average size per job of 269,9. What can be observed in the different statistical records is an increase in the size of Foundations over time, as with the rest of the entities (16,9 in 2014 and 19,4 in 2016).

In terms of employment, 46,2% of paid employment in OFSE is associated with Foundations: 13,045 annualized paid jobs in 2018. In terms of their evolution with respect to the previous statistic (2016), an increase of 10,4% has being registered. By gender, 39,9% are contracts for men and 60,1% for women. Likewise, 76% are permanent jobs and 24% are temporary.

The evolution of these paid employment indicators since the official Social Economy statistics have been recorded (2010) and their segregation by gender or type of contract can be seen in the following table:

Table 5. Number of employment in Foundations segregated by gender and type of contract. Basque Country. 2018-2010

Year	Persons Employed	% by gender	% by type of contract
2018	13.045 46,2% total OFSE	60,1% female 39,9% male	76% permanent 24% temporary
2016	11.811 45,8% total OFSE	57,6 % female 42,4 % male	78,9 % permanent 21,1 % temporary
2014	10.482 45,1% total OFSE	60,9 % female 39,1 % male	82,4 % permanent 17,6 % temporary
2012	12.315 46,6% total OFSE	Not available	Not available
2010	12.448 % total OFSE (Not available)	Not available	Not available

Source: elaborated by the authors in accordance with Social Economy Statistics 2018, 2016, 2014, 2012, 2010.

Along with paid employment, OFSE mobilize an estimated 25.236 volunteers in 2018, of whom 26,6% are structural volunteers and 73,4% are linked to one-off support. In the case of Foundations, they host a total of 5.322 volunteers (21% of all OFSE volunteers), which together with the volunteers of public utility associations (19.878 people, 78,8% of the total), account for 99,8% of all OFSE volunteers in the Basque Country. In the case of Foundations, the majority of

volunteers are women (55,6%), although in the OFSE as a whole, the highest percentage of volunteers are men (62,4%). A good part of the volunteers who collaborate with the Foundations are of a structural nature (48,0%).

In terms of turnover, OFSE had an overall turnover of 2,2 billion euros (9,5% higher than in 2016). Foundations in the same year had a turnover of more than €566 million, 28,2% more than in the previous record of 2016. They also receive a total of grants amounting to some 468,3 million (66% of all grants received by OFSE), which is 34,4% of their turnover.

In terms of economic results, Foundations have generated positive financial results of almost 145 million euros, and a Gross Value Added (GVA) of 219 million euros, which represents 84% of all the GVA generated by the OFSE. The evolution of these concepts can be seen in the following table.

Table 6. Financial data on Foundations. Basque Country. 2018-2010 (data in millions of euros).

Year	Turnover	Grants	Financial Results	GVA
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: elaborated by the authors in accordance with Social Economy Statistics 2018, 2016, 2014, 2012, 2010.

5. Challenges for Foundations in the Basque Country

5.1. Increase the visibility and social awareness of Foundations

In the Social Economy survey, one of the items measured is the assessment of the external social perception of this type of entities. In last year's survey (2018), "Only one in four social economy enterprises perceives a positive assessment by Basque society in relation to the role it plays and its own contribution to the socio-economic development of the Basque Country". Although this result refers to cooperatives and labor societies, it can be extrapolated to all social economy organizations and therefore to Foundations.

In general, society has heard of Foundations, and could perhaps mention some of them, but it would be very difficult to indicate some of their identifying features, or their fundamental characteristics, i.e. what distinguishes them from other similar figures. Apart perhaps from the case of development cooperation Foundations (Mundukide, Alboan), or banking Foundations through which they channel their social work, or those of sports clubs because of their connection with citizens, perhaps not many other examples can be mentioned. This is despite the fact that citizens are often users or beneficiaries of their work.

The image is usually positive, associated with social purpose, with entities that have an impact, that generate social value... But even on this point, it is necessary to transmit to society the social value that Foundations generate, which would help to understand the full dimension of their character as an entity of general interest, which brings us to the next challenge.

5.2. Measuring and disseminating the social value generated by Foundations

Foundations by their very nature are entities with social and general interest purposes. It is therefore essential that they measure their impact beyond the classic statistical dimensions such as employment, income or added value (AV). The fact that economic value and social value are separated poses a problem both in terms of social and internal management, and the fact that social value is not documented means that it is undervalued (RETOLAZA et. al., 2014). It is therefore vital to document the social impacts that Foundations generate, both for the economic activity carried out and for their own specific social value in environmental, social, labor and community issues.

We find different impact measurement systems such as the GRI (Global Reporting Initiative), the SDGs themselves can become a measurement mechanism, or systems for monetising social value. Regardless of which system is used, what is suggested to Foundations is that they learn to "manage impact" which implies managing systems, processes, culture and capacities related to social impact measurement (HEHENBERGER et. al, 2020).

We can find very outstanding examples, such as that of Lantegi Batuak, which will be analyzed later on.

Another relevant example is the Añana Salt Valley Foundation (2018), committed to a model that takes into account current and future economic, heritage, social and environmental repercussions. Its model assumes the principles of the World Charter for Sustainable Tourism (2015), which incorporates the 17 Sustainable Development Goals.

Mundukide, San Sebastian Aquarium, Alboan, Gureak Group or BBK Fundazioa, among others, can be presented as models of good practice.

Some Foundations are obliged to draw up transparency reports as private entities that receive public aid or subsidies of more than €100.000,00 during a year (SPAIN, 2013). These reports and their publication on the websites also serve to know and assess the Foundations in terms of their organization and legal structure, governing bodies and certain economic information.

In the same way, some Foundations will have to prepare the non-financial information report (SPAIN, 2018), just like any company that complies with the requirements established by law. Its objective to contribute to measuring, monitoring and managing the performance of companies and their impact on society, as well as sustainability by combining long-term

profitability with social justice and environmental protection. Its content, as set out in art. 49 of the Commercial Code, establishes that it must generally include the information necessary to understand the evolution, results and situation of the company and the impact of its activity, at least with regard to:

- environmental issues such as pollution, circular economy, waste prevention and management, sustainable use of resources, climate change, or biodiversity.
- social and personnel issues, including measures taken, where appropriate, to promote the principle of equal treatment and equal opportunities for women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility
- respect for human rights, applying due diligence procedures, prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed, among other contents.
- the fight against corruption and bribery measures taken to prevent corruption and bribery; measures to combat money laundering, contributions to Foundations and non-profit organisations.
- the company itself in relation to its commitment to sustainability, suppliers and subcontractors, consumers or tax information by country.

A model of this report can be seen, for example, with respect to Gureak group (GUREAK, 2019), and in addition to regulatory compliance, it is highly expressive of the social value it generates.

5.3. Maintain the character of Foundations as key actors for the achievement of the Sustainable Development Goals (SDGs)

The UN General Assembly adopted the 2030 Agenda for Sustainable Development, with 17 Goals and 169 targets, covering the economic, social and environmental spheres. It is a plan of action for people, planet and prosperity, which also aims to strengthen universal peace and access to justice. States are committed to mobilizing the necessary means to achieve it, although this Agenda implies a common and universal commitment. For this reason, together with the administration, businesses and civil society organizations, Foundations are key to advancing the Agenda's objectives.

The United Nations Development Program (UNDP, n.d.) recognizes the indispensable knowledge that Foundations offer to a variety of areas that coincide with the SDGs' proposals. For example, those related to people's well-being (health, education, gender equality, the fight against poverty and hunger), environment (water and sanitation, responsible production and consumption, terrestrial ecosystems and underwater

life), decent work, reduction of inequalities or the fight for peace and justice, to name but a few.

Funko promotes the explicit statement of the SDGs, and proposes their integration in the management of Foundations and associations, in all the actions they develop, communicating the results obtained through reports.

We can mention as an example that the Aquarium of Donosti includes the SDGs as part of its strategic planning, establishing its objectives in accordance with its own Foundational essence (Funko 2020):

SDG 14 (underwater life) To raise awareness and sensitize society to respect the marine environment through the exhibition, conservation and research of the flora, fauna and heritage of the different oceans and seas, with special emphasis on the Cantabrian Sea.

SDG 11 (sustainable cities and communities) to disseminate our maritime and fishing traditions and memory by safeguarding, exhibiting and disseminating collections of great historical and emotional value.

6. Lantegi Batuak Foundation

One of the most paradigmatic examples within the ecosystem described above is the case of a Foundation called Lantegi Batuak. It is an outstanding case both for the service provided to society, the innovative way in which it develops the activity and for the real impact on people, their families and the community as a whole.

6.1. Origin and evolution

Lantegi Batuak is a Foundation whose aim is to promote and achieve the social and occupational integration of people with disabilities by creating quality employment opportunities. Its origins date back to 1964, when the first protected work experiences arose under the auspices of Gorabide, the Biscayan Association in Favor of People with Intellectual Disabilities. It was a group of parents and friends of people with intellectual disabilities who set up this association to raise public awareness of this social and family problem, as well as to create assistance centers, which did not exist at the time.

In 1983 the commercial name of Lantegi Batuak was adopted, with the aim of centralizing the management and coordinating the network of workshops created in the Province of Biscay since the late sixties. Subsequently, the doors of Lantegi Batuak were opened to people with physical or sensory disabilities, and in 2001 the group of people with mental illness was incorporated. In January 1998 it was constituted as a Foundation, with its own legal personality.

It is currently the largest business initiative in the field of protected employment in the Province, as it generates job opportunities for more than 2,500 people with intellectual, physical, sensory or mental disabilities, through industrial and service activities.

In the Basque Country, in 2019, there are almost 140,000 people (out of a total population of almost 2.2 million people) who have a recognized disability of more than 33%. Around 47% of whom live in Biscay, where Lantegi Batuak carries out its activities. Of this total group, 44% are women and 56% men. In the working age group, i.e. between 18 and 64 years of age, there are almost 70,000 people in the whole region, of which almost 50% live in the province of Bizkaia. (EHLABE, 2019).

In the Basque Country, in 2018, around 8,000 people with disabilities were employed in a special employment center, around 11.4% of the potentially active group. Of these employed people, 35% are women and 65% men (EHLABE, 2019)⁷.

The Lantegi Batuak Foundation currently has 22 centers covering the entire province of Biscay. These centers are organized by activities or areas (industrial and services) and a general support center for all activities. The following map shows the distribution and location of the Lantegi Batuak centers in the province.

Figure 1. Map showing the presence of Lantegi Batuak work centres in the Province of Biscay



Source: Lantegi Batuak

As for the activities they carry out, they are of a diverse nature and are grouped into two areas: industrial and services, as shown in the following table:

Table 7. Economic activities carried out by Lantegi Batuak

Industrial	Services
Wiring	Cleaning
Electromagnetic assemblies	Gardening and environment
Metal transformation	Vending
Electronics	Document management
Logistics solutions	Food delivery

Source: elaborated by authors based on www.lantegibatruak.eus

It is an entity in constant expansion, both by increasing the number of centers in its usual areas of work, such as the opening in 2019 of Sestao Barri, a

new center specialized in electronics, and also by new sectors of activity, which aims to create new employment opportunities for people with disabilities.

As a summary, and based on the socio-economic analysis carried out in section 5, Lantegi Batuak has the following characteristics:

- As for the origin, it is an entity generated by the impulse and leadership of a group of families whose objective is the provision of services for their sons and daughters with intellectual disabilities.
- In terms of the specific purpose of the classification in table 4 would be the second: charitable welfare and labor, and specifically would fall within this last dimension, labor.
- In terms of size, while the average employment in Foundations is 21,4 employees in 2018, Lantegi Batuak employs 2,500 people. But it also stands out in terms of size among the special employment centers, whose average employment is 269,9.

6.2. Socio-occupational integration processes

Together with what has already been mentioned in relation to the Foundations in section 3, as well as its belonging to the Social Economy in section 2, a third axis should be added, as Lantegi Batuak is also considered a special employment center.

These centers are regulated by Royal Legislative Decree 1/2013, which defines them as "those whose main objective is to carry out a productive activity of goods or services, participating regularly in market operations, and whose purpose is to ensure paid employment for people with disabilities; at the same time they are a means of inclusion of the greatest number of these people in the ordinary employment regime". Furthermore, it is established that "they must provide, through the support units, the personal and social adjustment services required by disabled workers, according to their circumstances and in accordance with what is determined by regulation."⁸

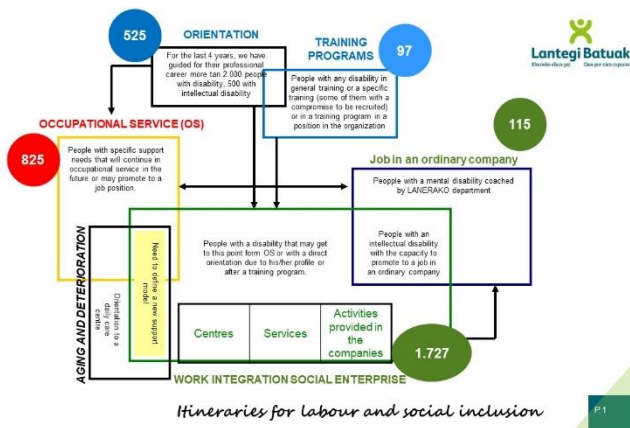
Lantegi Batuak offers each person an individualized socio-occupational insertion itinerary (figure 2), ranging from guidance and training, to incorporation in the Occupational Service, in the Special Employment Centre, in access to Ordinary Employment, or in the processes of return and support for active ageing. In the latter case, the need to design new support systems has been detected. In fact, around 46% of people with disabilities are aged 65 or over (EHLABE, 2019).

The following figure summarizes the inclusion pathways graphically and the inclusion pathways, which are developed further below:

⁷ More information about the disability in the Basque Country can be found in EDEKA, BASQUE COORDINATOR OF REPRESENTATIVES OF PEOPLE WITH DISABILITIES (2014), *White Paper on disability in the Basque Country*. <http://www.edeka.es/wp-content/uploads/2017/11/Libro-Blanco-de-la-Discapacidad-1.pdf>. Año 2014.

⁸ More information can be found in BENGOTXEA ALKORTA, Aitor et al. (2019), *The Basque Model of Social and Labor Inclusion*. <https://www.ehlabe.org/upload/memorias/Informe-elmodelo-ISBN-ING.pdf>.

Figure 2. Outline of the itineraries for socio-occupational



Hineraries for labour and social inclusion
inclusion in Lantegi Batuak
Source: Lantegi Batuak

a) **Orientation:** first phase to determine the most suitable position for each person, based on their aspirations, skills and expectations, improving their qualifications. In the last 4 years around 2.000 people have received this service.

b) **Training:** adapted, practical (focused on the development of skills) and professional (oriented towards inclusion in the labor market) The aim is to improve the employability of people with disabilities. In the last year, 57,800 hours of training have taken place, most of them in continuous training (169 actions) and others in occupational training (10). Likewise, since 2016, the *Lan Eskola* program has taken place, through which accredited training is carried out in approved centers of Lantegi Batuak or collaborators. The theoretical, professional and transversal training is complemented with tutored internships and individualized accompaniment. Last year, 79 participants took part in 9 training actions.

c) **Occupation:** the training and support necessary to improve the skills of people with disabilities, so that they have greater autonomy and a better quality of life. Around 825 people have been users of this itinerary in the last year.

d) **Employment:** through the Special Employment Center, people with disabilities can develop their work in adapted conditions and in competitive sectors, industrial and service activities. 1.727 people form part of this group.

e) **Employment with support:** which enables people with disabilities to work in normalized jobs, private or public, for which they seek opportunities, raising awareness and advising companies, positions are analyzed, the right people selected and trained them in situ, guaranteeing continuous monitoring and professional development. In fact, more than 400 visits were made to companies for prospecting, advice on compliance with the law and recruitment, and 55 transitions to regular employment.

6.3. Measuring social value

As a business organization, Lantegi Batuak operates in a global market with increasingly demanding competition, which obliges it to achieve the highest standards of professionalism in each of the different sectors in which it provides services. However, it should be noted that the value generated by Lantegi Batuak is not the same as that of a regular company, as its management is based on values centered on people, sustainability and the search for excellence. For this reason, over the last 10 years Lantegi Batuak has developed, together with the University of the Basque Country and the University of Deusto, a methodology that allows to measure the integral value generated, quantify it and even monetize it (RETOLAZA et. al, 2014). This same methodology is used by other Foundations and social enterprises (AYUSO SIART et al., 2020).

In 2019, the total (integrated) social value generated amounts to 207 million, totaling 1,5 billion in the last 10 years (Lantegi Batuak, 2020). But the impact of Lantegi Batuak in other areas can be seen, as shown in the following figure:

Figure 3. Amount of the total integrated social value and by area. 2019. (data in million euros)



Source: Lantegi Batuak

Lantegi Batuak is also characterized by its involvement in territorial development: with a network of centers and services present in all the counties and its close collaboration with public institutions and social and business entities. In fact, for every public euro received, Lantegi Batuak contributes approximately €13 to society, helping to unite the territory and develop the business and social fabric of Bizkaia (LANTEGI BATUAK, 2020).

Likewise, in the last year, more than 500 actions in the community can be highlighted, the participation in more than 20 conferences and events to present its model, and the reception of around 20 visits for the same purpose.

6.4. Effects of Covid-19 and the pandemic in Lantegi Batuak

The Covid-19 and the effects of the pandemic have meant a great change in daily, personal and professional life, and this effect has also been felt in the daily management of Lantegi Batuak.

The new context has required the adoption of a series of changes in the organization, allowing the

continuity of the business activity to be combined with the prevention and protection of people's health.

A virtual support system has been developed for the users of the occupational service, which allows the service to continue to be provided without employees having to travel to the work centers.

The process of adapting systems to respond to this need to work remotely (VPN, IntraLan, FortiClient, Teams, Support, Communication and exploitation of databases, etc.) has been accelerated, boosting agility in operational decision-making (customer service, maintenance of essential activities, people management, occupational service, funding assurance, dialogue with different administrations, processing of regulatory changes and recommendations, etc.), which have made it possible to respond to the needs of this new context.

This has been made possible by having the support of the Board of Trustees in decision-making, backing up the measures agreed by the management team.

7. Conclusions

Along this research paper, we have argue that Foundations are non-profit organizations whose assets

are permanently assigned to the realization of general interest purposes. Their activity must contribute to human welfare in areas such as human rights, social action, educational, cultural and sporting activities or the promotion of equal opportunities.

The Basque Government aware of the positive social effects of these organizations, establishes a legal regime that facilitates and promotes these entities.

Foundations are democratic, transparent and engaged with community entities, but they also stand out for their business dimension. Data show a dynamic and growing sector in terms of employment, volunteers and turnover. But in this realm, among other challenges, Foundations are very interested in measuring and disseminating the social value generated by Foundations to document the social impacts.

Among the fundational sector there is an outstanding case, Lantegi Batuak, whose aim since 1964 is to promote and achieve the social and occupational integration of people with disabilities by creating quality employment opportunities. Now there are nearly 2500 persons employed and has generated a total (integrated) social value totaling 1,5 billion in the last 10 years. Lantegi Batuak is a is an example of how it is possible to combine social action with economic results.

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