

A non-profit organisation is generally defined as an organisation characterized by a « non-distribution constraint », i.e. whose members may not receive any direct return from the activity of the organisation, be it « in cash » or « in kind ».

Quite often, « non-profit » organisations are considered as « non profit-making organisations ». This is particularly true at EU level where the European Commission generally forbids « non-profit » contractors to have surpluses on its grants. Although this may be justified to some extent, a sharp application of this conception would amount to keeping non-profit organisations within the margins of the “mainstream”. Such a requirement also contradicts another basic requirement, i.e. that of accountability : without the financial capacity deriving from accumulated surpluses, an organisation is indeed not in a position to offer strong guarantees to its contractors.

In most European countries, national legislations include provisions recognizing non-profit structures. In some countries like Germany, France, Italy, Belgium, non-profit organizations may account for quite a large share of total employment and economic activities. In some others, they play a less important role from this point of view.

Beyond diversity, it is unquestionable that the not-for-profit sector needs to be strengthened in Europe so as to better serve and represent civil society interests.

**By Patrick De Bucquois,  
Vice-President of CEDAG**