3rd EMES-Polanyi International Seminar

EMES events

Welfare societies in transition
Roskilde, 16-17 April 2018

Channelling solidarity: inputs from third sector and the co-creation of public goods

Jennifer Eschweiler
Lars Hulgård

Roskilde, April 2018

EUROPEAN COOPERATION
IN SCIENCE & TECHNOLOGY

Funded by the Horizon 2020 Framework
Programme of the European Union

EMES Conferences selected papers

2018

Channelling solidarity: inputs from third sector and the co-creation of public goods

Jennifer Eschweiler and Lars Hulgård, Roskilde University, Denmark

This paper is based on findings from the H2020-funded project *SOLIDUS – Solidarity in European Societies: Empowerment, Social Justice and Citizenship* (2015-2018), bringing together 14 research teams from 12 countries in Europe. The project explored expressions of solidarity from an interdisciplinary approach, looking at spatial differences, notions of inter- and intra-group solidarity, fiscal solidarity across Europe, activating social citizenship, and the gender-perspective of solidarity. The overview of findings presented in this paper are part of yet another line of investigation: third sector and social economy (TS/SE) organisations as transit zones for successful solidarity actions by way of collaboration with public actors and agencies in the fields of employment, education, health and housing.

Research was carried out before the backdrop of multi-dimensional crises: austerity measures are transforming public administrations and social policies across Europe; welfare policies have been shifting from institutional and redistributive orientations towards enabling policies and market-driven competition. Disputes around the reception and integration of refugees increases polarisation within societies and the European Union, fuelled by rising socio-economic inequalities. As a result, social responsibility increasingly shifts from being a public concern to an individual and private concern (Hulgård 2010, Hulgård & Andersen, 2012).

At the same time civil society based organisations like non-profits, NGOs and social enterprises have always addressed gaps left by state policies. Their actions are not confined to helping people in need or providing services. Many social services delivered by such entities are co-designed by citizens or at least developed close to citizens, thereby ensuring decisions are made closer to their needs and are thus more innovative. For the same reason, the sector also plays an important role in democratic decision-making, as it can bring expertise in tackling social injustice to the deliberation table (e.g. Habermas, 1990). Finally, it has the potential to increase the social, political and economic autonomy of people (e.g. Keane, 1993, 1998), thus making a real contribution to individuals and communities alike. The goal is to integrate marginalized and socially excluded people through several economic and political principles that build a bridge between the public welfare state and a strong civil society.

Collaboration in the delivery of services between sectors is part of European social history, often defined and implemented at the local level due to principles of subsidiarity. Collaboration in the formulation of social policies varies across time, space and types of organisations. SOLIDUS seeks to make a systematic contribution showing different kinds of collaborations that

foster social solidarity through collaboration in different institutional contexts and fields, uncovering some drivers and barriers that transcend political, cultural and socio-economic context. We refer to collaboration rather than co-production, as the academic debate refers to co-production as public administration working directly with citizens (i.e. Brandsen & Honingh, 2015), while we focus on the level of formal organisations.

Goals of the research

In a previous paper, using three case studies from Scotland, Hungary and the UK, we explored the different types of reciprocity exercised by organisations and how this might be linked to the surrounding system of an organization, starting with organizational form (non-profit social enterprise/ charity/ social enterprise) and internal democracy. Those appeared to be connected to framework conditions, most notably access to public funding and trust relationships. Those two conditions also feature prominently when it comes to drivers and barriers in this line of investigation.

Here, inspired by the SSE framework we focus particularly on the autonomy fostered for the beneficiaries of an organisation's activity and how this is supported through collaboration.

Autonomy must be understood as according to abilities, as some people have certain limitations that mean they will never work in the first labour market, but autonomy of course has many faces: recognition as equal worth and fellow human, social integration in a group of people, fostering well-being, obtaining new qualifications, producing something of social or economic value, integration in the labour market, etc. This should be in the interest of public policy, is in the interest of TS/SE orgs, whose aim it is to support their various target groups, and most importantly it matters to the users/ clients/ beneficiaries themselves, those that do not like dependency.

We also explore the distribution of roles between partners: Are organisations initiators, co-designers or co-producers of services and social policy discourses? Many European research and mapping studies carried out in this field found that this depends to a large extent on the institutional design of welfare, political will and opportunities, topic and target group, and that it varies between administrative levels (i.e. TSI, WILCO, ITSSOIN). Creating a partnership on eye-to-eye level has always been a challenge due to a number of issues: the legitimacy of civil society based organisations, both formally and in public discourses of a country; the dependency on public funding, muting the voice of advocacy; the issue of trust in new, bottom-up initiatives. By pointing out some of the structural, cultural and socio-political drivers and barriers in the co-delivery of activities that seek to promote social justice and inclusion, embedded in a solidarity economy framework, we underline some innovative forms of public sector/ third sector collaboration in the fields of housing, employment, health and education. We wanted to know if crises like austerity or the increased influx of refugees has changed collaborative partnerships.

Defining the third and social economy sector

Definitions and use of the phrase third sector vary internationally, depending on cultural, political and intellectual traditions. However, the main distinction is between a continental European understanding, using the notion of 'social economy', in contrast to an Anglo-American using the notion of 'the third sector' (Defourny, Hulgård & Pestoff, 2015). However, also Europe has been marked by different historic trajectories, although some trends of convergence may be happening. When taking a closer look at the differences in Europe it appears that in some countries, particularly Ireland and the UK, the third sector is traditionally equated with organisations that have charitable status and purposes; in Northern Europe, it typically refers to private institutions that are doing work on a non-profit basis; in the Netherlands it also refers to non-profit associations providing services, but also to advocacy groups, and social enterprises. Especially in France, Belgium and Southern Europe, the term *social economy* is deployed to refer to groups such as associations, cooperatives and mutual societies. Despite their differences, all of these manifestations of the third sector share certain common attributes: they are all institutionally separate from government, they share a high degree of self-governance, they have a social mission that is pursued on a voluntary basis, and profit-distribution is forbidden or significantly constrained.

Conceptually, it may be relevant to outline some distinctions between civil society on the one hand and third sector and social economy on the other. Whereas the former are emphasizing the civic and social dimension of the civil sphere, the latter is conceptually more difficult to pin with accuracy, since social economy can be identified by organizational types, whereas as civil society is rooted in European political philosophy. This is epistemologically relevant, as it zooms in on third sector actors as acting differently from economic or state actors, since their actions are value-driven as opposed to maximising profit-driven (Enjolras, 2015). However, also scholars working in the tradition of social and solidarity economy emphasise characteristics that relate to the broader emancipatory aspects than 'just' the social or the economic (Hulgård, 2004; Laville, 2010; Hulgård, 2011). Even hybrid organisations pursuing both non-market activities and market activities promote internal democratic practices (Defourny & Nyssens, 2016) and strategically interact with their institutional environment (Nyssens & Petrella, 2015). In this report we refer to third sector/ social economy organisations (TS/SE organisations) in general terms.
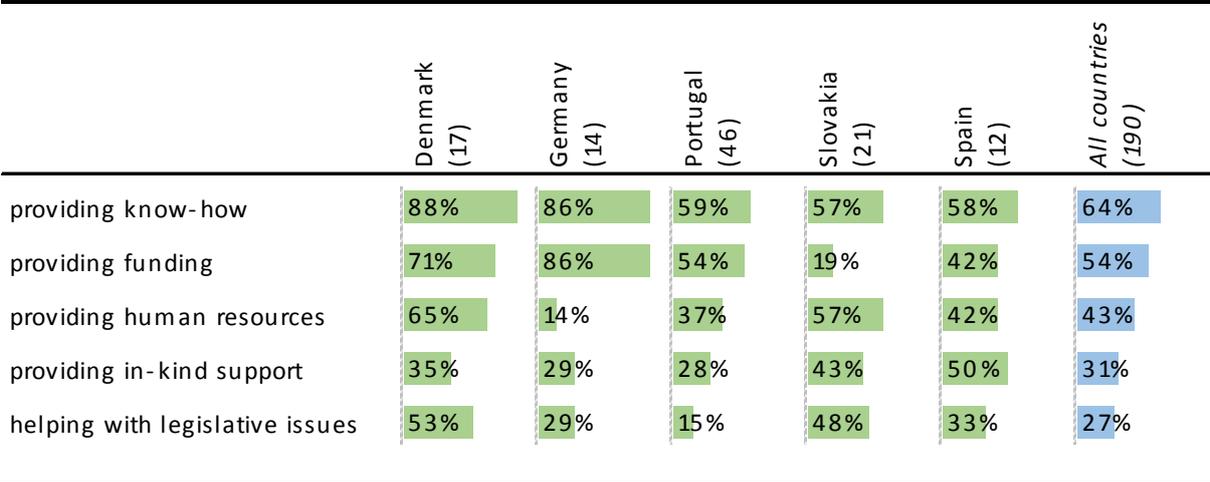
Employing a social and solidarity economy lens
Laville and Hulgård find that welfare states of the 21st century have difficulties in linking 'positively the institutional capacity of the welfare state to citizen driven initiatives and hybrid entities that are emerging at an increasing speed' (2016). When chasing the channels of solidarity formed by inputs from TS/SE the goal is to address barriers and obstacles to re-integrate marginalized and socially excluded people. In this context we decided to integrate

reflections on New Public Governance (Osborne, 2010) and co-production (Brandsen & Pestoff, 2006) with the solidarity economy (SE) approach (Laville, 2010). Both traditions are emphasising the need for building collaborative arenas for policymaking, bringing together the democratic, the social and the economic dimension.

Providing institutional arrangements that strike the right balance between the welfare state and TS/SE, i.e. in form of a 'welfare mix' made of shared responsibilities among various types of actors: state, private for-profit companies, and communities (Pestoff, 2005; Evers & Laville, 2004; Laville & Hulgård, 2016) is the task for an enabling public sector. According to Cornforth *et al*. (2015) it involves collaborative and dynamic partnerships in the shape of formalized, joint-working arrangements between organizations that remain legally autonomous while engaging in on-going, coordinated collective action to achieve outcomes that no one would have achieved independently.

Whereas social economy, or the third sector, describe a certain set of organizations, solidarity economy opens up the broader question of their relationship to both *economy* and *democracy*. Organizations in a solidarity economy are envisaged from the outset as voluntarily engaged in forms of public action for the common good (Laville/ Salmon, 2015). The participatory governance dimension takes centre stage in a conceptualisation of the social economy that highlights a more organic notion of solidarity rooted in pluralist civil society and social movements, coupling it with economic understandings of citizen initiatives and third sector. Hence solidarity economy can be regarded as complementary to third sector and social economy, existing next to the for-profit market, embedded in the broader societal framework through both economic and political dimensions. Actors in the solidarity framework are consumers or users, workers, and volunteers, but also representatives of public authorities or providers of capital (Gardin 2014), as TS/SE organisations must work closely together with state institutions, who provide funding by 'ordering' services, provide the legal structures, knowledge and know-how, or even have a place on the Board (see Graph 1).

Graph 1: Institutional contribution to collaboration

	Denmark (17)	Germany (14)	Portugal (46)	Slovakia (21)	Spain (12)	All countries (190)
providing know-how	88%	86%	59%	57%	58%	64%
providing funding	71%	86%	54%	19%	42%	54%
providing human resources	65%	14%	37%	57%	42%	43%
providing in-kind support	35%	29%	28%	43%	50%	31%
helping with legislative issues	53%	29%	15%	48%	33%	27%

The **political dimension** shows itself in the gradual loss of the welfare state to protect its citizens against risks of social exclusions. It is increasingly urgent to understand how actions of solidarity can be channelled from the societal periphery to the centre, replacing redistributive solidarity in the welfare state to a state enabling horizontal expressions of solidarity, i.e. for co-production, but also for lobbying for rights, or for new ways of delivering services: 'If unchallenged by actions of solidarity and reciprocity these changes will gradually speed up an already on-going process towards a disintegrated society' (Laville & Hulgård, 2016). Here, solidarity economy is inspired by Habermas, who understood civil society as emancipatory power if admitted access to the public sphere. In the centre of his argument stands the application of a sluice model of problem solving and communication that is a crucial part of his version of deliberative democracy (Habermas, 1997: 356), a process that can be facilitated by public sector-TS/SE collaboration, particularly when organisations successfully initiate or co-design a project or service. The public sphere perspective (Edwards, 2004) is crucial in such a model of co-production and solidarity economy to establish institutionalised forms of co-production and collaboration with civil society.

It is important to clarify that *economy* in this context refers to the **pluralist notion of economic action** elaborated by Polanyi that dominates the solidarity economy literature, which includes market economy, non-market economy and non-monetary economy, the latter two describing 1) redistribution of produced goods and services by foundations or public institutions as part of the welfare state, providing citizens with individual rights, subject to democratic control; and 2) redistribution of goods based on reciprocity, turning vulnerable people into co-producers and co-owners (Laville, 2014; Laville & Salmon, 2015: 148-151), but also expressed in volunteering or mutual support and commitment. Hence economy is linked to changes in the reality of individuals, to communities within a polity, and to actual spending on social policy implementation, taking into account the social, financial and democratic return on solidarity action and collaboration. The pressure on welfare states to cut down public spending has triggered the growth of hybrid organisations that strive for the satisfaction of their own members' needs or the social inclusion of vulnerable groups. Using plural resources to reach their mission can be beneficial for their target groups when they co-create employment, engage in mutual relationships or improve their well-being and health to become active citizens.

Different organisational and institutional logics and objectives are bound to make collaboration a rocky path that requires resources like funding, trust, and supportive legislation. While public institutions must act rationally in their different fields of responsibility, bound by social policy as much as institutional inertia, TS/SE organisations constitute a space of value pluralism and freedom and contribute to 'the diversity of particular values, cultural practices and citizens' initiatives in all domains of social life'. The principle of reciprocity allows them to mobilize

voluntary resources 'that are more difficult to mobilize, if not impossible, for other organizational forms' (Enjolras 2015: 19-20). On the other hand, they must also understand institutional processes to develop an organisational strategy for the collaboration with public institutions that both deepens relationships (i.e. in the form of long-standing service provision, participation in committees, and personal relationships) and that safeguards them from take-over or isomorphism. The new synthesis between social protection and marketization is not only a threat but also offers opportunities to turn the social dimension into economic strength (wage = autonomy/ participation = social inclusion), provided top-down policies promote collaborative arenas offering entry points for solidarity actions developed in civil society (holistic view on common good and participatory partnerships vs. service contracts for narrowly defined field) and active notions of citizenship.

Method

Empirical work focussed on the interaction between third sector and social economy organisations with public institutions in the process of producing and enhancing solidarity, and if and how solidarity actions reflect on social policy. One of the aims was to identify modes of collaboration that have the potential of becoming a channel for new services and resources that empower citizens and communities to face the negative consequences of marketization and privatization by supporting people's autonomy. This required developing an understanding of the conditions of collaboration:

- Who **initiates, designs and implements** activities and services;
- What are the **different resources** provided by public institutions and TS/SE organisations, in terms of financial support, advocacy power, trust, reciprocity;
- What are the **outcomes in the sense of fostering the autonomy** of individuals, embedded in communities;
- What are the **drivers and barriers** within and across political, cultural and socio-economic contexts?

Data were collected in six countries, representing different welfare regimes, different traditions of collaboration across sectors, and different size and make-up of the TS/SE sector: Portugal, Spain, Germany Denmark, Slovakia and the UK (more specifically Scotland). There are clearly different traditions of working with civil society, sometimes with a stronger focus on the expressive function of organisations, sometimes on the social services third sector organisations deliver in social market economies like Germany and Denmark, or the social economy in Spain with its history of cooperatives. Some differentiation between countries within welfare clusters is interesting when it comes to TS/SE and public sector collaboration, taking into account, i.e. public administrative reform in Slovakia which introduced self-governed municipalities and opened up collaboration with NGOs, or the strong impact of regional autonomy in Scotland or the Basque country when it comes to drafting their own legislation how to work with the sector. However, all these countries have been affected by the financial crisis in 2008 because of the implementation of neoliberal policies based on austerity

and the different trajectories of collaboration with civil society expose the various degrees of openness of the system for bottom-up input.

Following a review of the tradition on cross-sectorial collaboration, size and scope of the TS/SE sector, and policies fostering social innovation and solidarity economy in each country, partners organized focus group interviews with up to 8 representatives of TS/SE organisations and public sector to offer first insights in different logics and expectations when public agencies and TS/SE organisations are working together, and to discover scope and process of a possible fusion of horizons.

Three cases each were selected in Spain, Portugal, Denmark, Germany, Slovakia and the UK that broadly operate in different policy fields (even though many address more than one issue) that were deemed as overall successful examples of collaboration by SOLIDUS researchers in the different countries. Due to the focus on autonomy rooted in the solidarity economy approach cases selected focus more on transformation that results in inclusion in socio-economic life, a democratic solidarity that builds on redistribution to 'reinforce social cohesion and to redress inequality' and an egalitarian understanding of reciprocity as a way to enhance 'voluntary social relations between free and equal citizens' (Laville, 2014: 107), inspired by the concept of communicative rationality, equal rights and self-organisation in relation to state and market (Salmon & Laville, 2015), thus contributing to social justice and equality in line with and beyond the requirements of social policy to promote societal integration. Due to the wide definition of TS/SE different types of organisations were selected: social enterprises, non profits, advocacy and service organisations, a cooperative and a foundation. Even though some are linked to international NGOS or programmes they were usually investigated at local level, also pointing out connections to regional or national policy domain where applicable.

Table 1. Types of organisations selected for case study work

Types of organisation	Distinguishing criteria	Similar cases
Social enterprise	Enabling target group to achieve a degree of social and economic autonomy through employment, using hybrid sources of income	**Employment/ Education** Grennesminde (Denmark), MUG, USE (Germany), Deaf Kebab, (Slovakia)
Non-profit organisation/ association	Providing a service to benefit the target group, using public redistribution and volunteering, engaging in advocacy	**Health** Cycling Without Age (Denmark), Médicos del Mundo (Spain), Door to Door Health (Portugal) **Housing** ETP (Slovakia), Kontakstelle Wohnen (Germany) Glasgow Homelessness Network

		(Scotland) **Education/ Employment** Teach for Slovakia (Slovakia) Emergency Shelters Red Cross (Portugal) People's Kitchen of Mouraria (Portugal) GAME (Denmark)
Advocacy & service organisation (various legal forms)	Working towards recognition and practical support schemes for certain groups	**Health/ Employment** The Health and Social Care Alliance, PPPF (Scotland)
Non-profit Cooperative	Providing social services and employment, including to vulnerable groups (i.e. women during economic crisis), participatory decision-making, clear legal frameworks	**Employment/ Health** SSI Cooperative, Spain
Foundation	Providing advocacy, training, recommendations, working with employees rather than volunteers	**Health** New Health Foundation (Spain)

Focus in the case analysis were on internal and external democracy, defined as type of collaboration (initiator/ co-designer/ co-implementer of a service or action) and working relationship with public agencies; on the economic dimension in terms of resources, activities fostering the autonomy of their target group, and the impact of their economic leverage on dealings with public sector; and on the social impact at individual and community levels. The analysis of examples of collaboration between public institutions and TS/SE organisations within their political, cultural and socio-economic sheds light on the distribution of roles, identifies some of the drivers and barriers, and raises awareness not only of the social, but also the democratic and economic potentials of collaboration, translated into personal autonomy, two dimensions that need highlighting in the context of disenchantment with politics and market-driven rhetoric in social protection.

We also carried out an online survey, completed or partially completed by 470 people (out of 1,400 contacted) working within the public sector, collaborating with civil society organisations in the areas of health, housing, education, employment in all SOLIDUS countries.
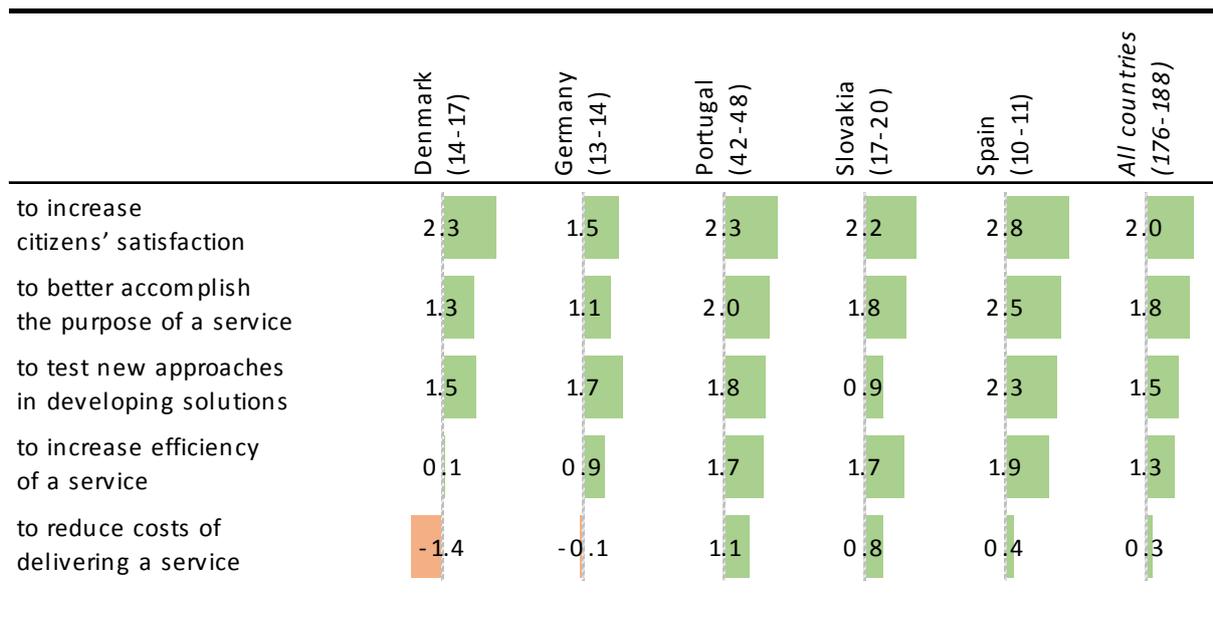
Findings: Three dimensions of solidarity action in SOLIDUS evidence - social, democratic and economic

Cross-country comparative analysis of organisations collaborating with public institutions in different policy fields, yielded insights into the democratic, economic and social contributions they generate, without forgetting the institutional and cultural context. The democratic dimension reflects on internal decision-making and external input to policy-making and service design through collaborative partnerships. The economic dimension reflects on the role of different sources of income, and the effects of redistribution, reciprocity and sometimes market activity, and different or converging understandings of economic action. The social dimension links to inclusion at individual level, and to the effects of solidarity action on community level, thus combining different perspectives to a holistic view on the impact of collaboration between public administration and TS/SE towards social solidarity and increased autonomy of disadvantaged groups and communities linked to reciprocity, which ranges from increasing a sense of self-worth and self-efficiency, finding friends or being valued as a member of community to becoming a volunteer oneself, producing goods and services for sale at market value as co-owner or co-producer, or moving on to a paid position with a salary subject to VAT.

The TS/SE and solidarity economy literature underlines the important role of political openness and collaboration with public administration to consolidate solidarity actions and to achieve policy impact. Nordic countries and Northern European countries are connected to relatively high levels of social trust, well-being, health, and political engagement, while Eastern European countries tend to score low on those indicators, with Southern European countries located in between (i.e. Enjolras, 2016:3). Apart from providing the structural conditions to support the advocacy function of civil society, Hulgård argues that notions of welfare state and social citizenship are equally important factors that determine civil society in a given country (Hulgård, 2015:214). Findings from SOLIDUS research confirm existing evidence.

TS/SE organisations often operate at local level, with a specific target group, but across policy fields. Local municipalities are often legally obliged to support the same target groups, within social policy frameworks formulated at different administrative levels. In certain policy areas the local level has limited decision-making power, depending on the organization of public administration in a country. Decision-making power in the fields of labour market activation and education usually rests at national or regional/ federal level. Health, social care and housing tend to me more locally anchored, partly due to policy turns towards more citizen engagement in public services, which theoretically promote the democratic participation of service users and facilitate bottom-up service innovation (see Graph 2).

Graph 2: Goals of collaboration

	Denmark (14-17)	Germany (13-14)	Portugal (42-48)	Slovakia (17-20)	Spain (10-11)	All countries (176-188)
to increase citizens' satisfaction	2.3	1.5	2.3	2.2	2.8	2.0
to better accomplish the purpose of a service	1.3	1.1	2.0	1.8	2.5	1.8
to test new approaches in developing solutions	1.5	1.7	1.8	0.9	2.3	1.5
to increase efficiency of a service	0.1	0.9	1.7	1.7	1.9	1.3
to reduce costs of delivering a service	-1.4	-0.1	1.1	0.8	0.4	0.3

Source: SOLIDUS Online Survey 2017, own calculations, only valid cases, number of cases in parenthesis. Depicted are the centred mean values where -3 equals "not important" and +3 "very important".

Picking out the policy field of **employment**, institutional context matters. While protected work integration enterprises (WISEs) for people with disabilities are well established in countries like Spain, Germany or Denmark, SEs promoting employment for other groups in Germany and generally in Slovakia have to be creative and network at local and regional level to get their project off the ground. In both countries policy discourse on social entrepreneurship remains marginal. In Spain, budgetary policies assigning funds for the development of the social economy support the creation of cooperatives and employment in cooperatives, i.e. by paying unemployment benefits as a lump-sum to allow people to first become members and then employees of cooperatives like SSI in Bilbao. Denmark has launched numerous support programmes for social enterprises, and municipalities have been reaching out and inviting organisations to take over businesses to support their mission, i.e. in the case of Grennesminde.

However, there is a sense of dependence on the goodwill of municipalities, also expressed by a WISEs in two different locations in Germany. Generally valid for WISEs is the high dependence on public instruments that support the social aspect of the enterprise, namely the various funding schemes that subsidize the employees and professionals like trainers and social pedagogue and the contracts with pension funds, job agencies or municipal social service departments to train and prepare vulnerable people for employment. Employment-oriented organisations are often hybrids that sell services to job centres to activate and support vulnerable groups who struggle to find regular training or employment for various reasons. Usually, WISEs do not have high numbers of people transferring into regular employment.

By providing protected or regular employment themselves through market-based activities

they provide autonomy for their target group not only in economic terms but also in the sense of being 'normal' by providing daily routines, colleagues with and without similar afflictions, and new skills, in accordance with their abilities and preferences. Despite the fact that many SEs have company-like hierarchical structures, they tend to make the voices of staff-members, volunteers or end-users heard through regular meetings or internal consultation processes.

In the field of **health** institutional context dependence is also high. In some countries like Spain and Denmark health care is decentralized and responsibility of regions and municipalities (Denmark) or the autonomous state (Spain). This makes access to decision-makers and collaboration easier and allows TS/SE organisations to provide more patient-centred care. In Portugal, TS/SE traditionally collaborate with public institutions in this field. In Spain, TS/SE organisations have been important actors to address a crisis of care due to financial austerity. Danish Municipalities are independent in choosing their civil society partners for service-delivery, and the level of partnership vs. contract-partner varies from one location to the next.

Decentralized delivery of social policy can be a challenge in terms of ownership of an initiative, but it also enables productive working relationships when the right chemistry exists between public and civic actors. Several cases in the field of health operate with the help of multiple economic factors, mostly redistribution of public and foundation money, and reciprocity through volunteering, membership fees, and occasional private donations. Volunteers play a vital role in the majority of case study organisations. The capacity to mobilise volunteers is specific to the TS/SE sector. Internal democracy differs significantly, partly depending on the organizational form. Voices of users of all organisations are usually taken into account through evaluations and consultations.

The social impact on citizens is usually tremendous, independent of institutional settings and contexts, as it is the human contact that counts. If it is getting old people out of their care homes for a bike ride (Denmark), supporting and training relatives how to deal with having to support a sick family member (Scotland and Spain), or coming round to visit elderly people in their homes (Portugal), all those activities are acts of a democratic solidarity given on a voluntary basis, not free from self-interest, but essentially a community-based complementary service to public health care that makes the small but important difference. There is also evidence of bottom-up policy impact in some cases (for more details on cross-country analysis also in the fields of housing and education see Eschweiler & Hulgård, 2018).

Drivers and barriers

Channelling solidarity takes various forms and expressions. On the one hand TS/SE organisations are channelling solidarity top-down by providing services and support on behalf of the state, which is primarily responsible for education, health care, adequate housing for all, as well as for the support of people without employment or only able to work in protected employment. Collaboration with civil society based organizations for this purpose has a long tradition in most countries. However, public-civic partnerships in old welfare states like

Denmark or Germany have changed with welfare states moving to new public management in attempts to reduce public spending, multiplied during the financial crisis. Recent UK governments implemented market-based welfare mechanisms like no other European country, while the young welfare state in Slovakia suffered from austerity politics similar to the ones in Mediterranean countries.

In this climate, TS/SE organisations are also channelling economic solidarity, as they try to fill gaps left by state provision, while actively engaging their target group to re-gain autonomy in various straits of life, often through reciprocal relationships within organisations with volunteers, colleagues or clients, through public and philanthropic funding that supports people in their strives for better lives, or through active participation in the production of services or products for sale, integrating them into market-economy through solidarity actions. Evidence collected as part of this work package illustrates some country- or locally specific drivers and barriers, often similar across national contexts. Some supportive legislative initiatives have transfer potential, but it is mostly the barriers that need tackling at national and local levels, sometimes enshrined in institutional logics and goals of public administration, sometimes linked to lack of political will, or due to the local character of most TS/SE organisations.

Supportive legislation
A prerequisite for successful collaboration between institutions of the state and TS/SE organisations are legislative foundations for such relationships. Policies underling the role of civil society and civic engagement strategies have become a mantra of national governments and municipalities across Europe, but implementation remains half-hearted. Cross-sectorial policies are an important step towards the facilitation of collaboration, but they remain subject of individual effort, interest and trust, which determine who gets to work with the municipality and under what conditions, even if TS/SE partners do not receive core public funding. In many countries TS/SE organisation complain that participation mechanisms largely depend on political will and the commitment of individuals inside public institutions, which results in big differences between municipalities.

Fiscal support, like special VAT or tax rules for TS/SE organisations are a prerequisite for collaborative partnerships. A noteworthy scheme is the provision in Spanish fiscal law that allows to pay out unemployment benefits as a lump sum to allow people to start or join an employment cooperative. Another useful provision of labour law designed to support employment in Germany which allows job centres to pay up to 75% of salaries to employers who employ people that have been out of work for a substantial period of time. In countries like Germany and Slovakia, where social economy does not feature much on national political agendas, a new way of thinking is necessary also in legislative terms, as in practice many TS organisations are already hybrids, pooling resources from a variety of sectorial spheres. Also, organisations working in the field of employment and labour activation in Germany and Denmark reported they receive less public money when they earn income through market

activities, despite the fact that such income is usually re-invested in the social mission and communities

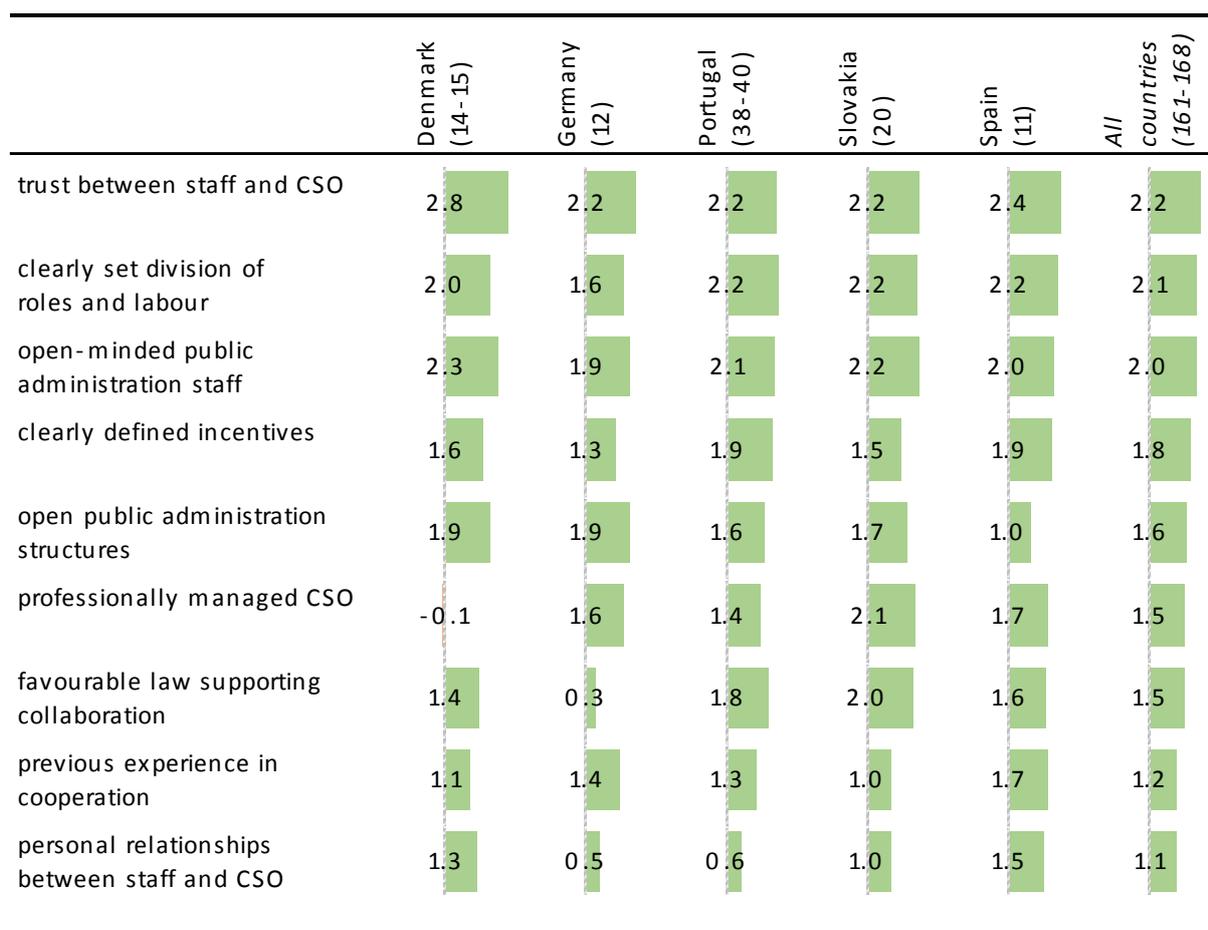*From contract culture to deliberation*
Often public funding is tied to specific goals, formulated in the contract between receiving organisation and public administration. Veteran social actors feel that there used to be more flexibility in dealing with municipalities to implement new ideas. Collaborative relationships that were described as win-win situations in the past have taken a downturn with liberalisation and service-contract culture. Contract culture deflects from the overall impact of TS/SE in addition to delivering the service they are paid for, like strengthening communities through the mobilisation of volunteers or creating community spaces like neighbourhood centres and cultural facilities and prevents from 'going the extra mile'. Contracts appear to suit the risk-awareness of administrations, but they make eye-to-eye level collaboration impossible and creative solutions difficult.

An important aspect of TS/SE organisation's work is advocacy, drawing attention to inequalities and offering solutions to address them. This critical voice is under threat as collaborative efforts turn into contractual demand and supply relationships marked by bureaucratic procurement procedures and market-style competition, making the financial support of municipalities 'both a blessing and a curse'. The UK Government's 2014 Lobbying Act, designed to more closely regulate election campaign spending and activity by those not standing for election, is criticised to have a 'chilling effect' on TSOs work, 'tying them up in expensive bureaucracy', limiting TSOs right to campaign against harmful policies, and making TSOs' charitable objectives more difficult to achieve (The Independent, 2015). Policies underlining citizen engagement appear like mere PR coups on behalf of governments under such circumstances. Small advancements for a small number of people seem to have become more difficult to achieve with a turn towards cheaper services for the many, and especially with private companies entering the social service contract market. In addition to that there is strong sense that cross-sectorial deliberative efforts are needed to determine new modes of collaboration, bringing a range of stakeholders together around the table.

Trust and openness for innovation
Personal connections to policy makers and public officials, access to decision-making venues and opportunities for deliberation are key determinants of collaboration for TS/SE organisations studies for SOLIDUS, as they all contribute to building trust relations between actors in different sectors.

Graph 5: Factors for successful collaboration

	Denmark (14-15)	Germany (12)	Portugal (38-40)	Slovakia (20)	Spain (11)	All countries (161-168)
trust between staff and CSO	2.8	2.2	2.2	2.2	2.4	2.2
clearly set division of roles and labour	2.0	1.6	2.2	2.2	2.2	2.1
open-minded public administration staff	2.3	1.9	2.1	2.2	2.0	2.0
clearly defined incentives	1.6	1.3	1.9	1.5	1.9	1.8
open public administration structures	1.9	1.9	1.6	1.7	1.0	1.6
professionally managed CSO	-0.1	1.6	1.4	2.1	1.7	1.5
favourable law supporting collaboration	1.4	0.3	1.8	2.0	1.6	1.5
previous experience in cooperation	1.1	1.4	1.3	1.0	1.7	1.2
personal relationships between staff and CSO	1.3	0.5	0.6	1.0	1.5	1.1

Source: SOLIDUS Online Survey 2017, own calculations, only valid cases, number of cases in parenthesis. Depicted are the centred mean values where -3 equals "not important" and +3 "very important".

The downside of this avenue of collaboration is that policy makers do not necessarily stay in their positions for a long time, forcing actors of TS/SE organisations to establish new contacts, often in their spare time, which is tiring and unnerving.

Access to resources
The difficulty to obtain public funding as part of austerity measures has already been described in Deliverable Report 4.2., and in other comparative research projects on TS/SE. They pick up on the new culture of service contracts and project funding that has replaced operational funding that can benefit organisational infrastructure and long-term planning that make TS/SE organisations fit to be reliable collaborative partner (i.e. Fonović et al., 2016).

Many TS/SE organisations studied are already quite creative in pooling resources, often from a mix of sources. Despite austerity being a general reality there are certain policy fields where fundraising for public money is reasonably easy and where innovative strategies are emerging. Cases show the relative flexibility of civil society based organisations to fund at least temporary paid positions. However, those remain precarious, as funding might not be renewed.

Public agencies also have to acknowledge that working with volunteers does not come for free, as they need recruiting, training, and management to make the volunteer experience satisfactory and people come back for more. Volunteers remain an unpredictable resource, as they chose for themselves what cause to give time to. Hence, public agencies cannot take free services for granted and need to provide some contingency funding for core operations. This also requires more precise impact measurement that takes into account social and economic impact as well as impact on well-being, a challenge so far unresolved (Enjolras, 2016). Lack of collaboration between administrative departments has been flagged as problematic by a number of TS/SE organisations.

Conclusions: changing patterns of collaboration? Fostering autonomy

Even in times of austerity measures governments and public administration still have to deliver effective policies to help people into employment, provide health care and education, and guarantee affordable housing for all their citizens. Many TS/SE organisations across Europe demonstrate over and over again their capacity to address needs, to propose new services, to support the social inclusion of vulnerable individuals and to mobilise communities, often in participatory ways. Despite great dependency of the sector on public funds they also mobilise other resources through membership fees, donations, selling goods on the market and the commitment of volunteers and staff members alike, achieving impact that public administration cannot. This impact is also based on TS/SE expertise gained from direct interaction with the target group.
Analysis is needed how much the aspect of autonomy is a concern of social policies and how it is formulated other than in terms of employability.

Are there indications of new ways of collaboration, of more equal partnerships? The evidence sends mixed signals. There is possibly a broader recognition, also in legislative terms, that social organisations come up with innovative ideas, are in touch with the target group, and are able to mobilise civic support that administrations cannot, but austerity measures and liberalisation of welfare create ambivalent policy responses between citizen and TS/SE engagement strategies on the one hand, and contract culture and bureaucratic control on the other.

Contract-culture is still the dominant collaborative logic, making partnerships at equal level difficult. It remains context dependent, underlining the role of trust, which remains a challenge for new TS/SE actors entering the field. Despite many positive examples of public sector – TS/SE collaboration the public understanding of the impact of the work of TS/SE organisations tends to itemize social value, with the danger of commodifying social value in contracts. The social impact, often based on the more holistic approach by third sector and social economy organisations to strengthen the individual in all areas of life and a frequent attempt at internal participation, albeit to varying degrees, is not always understood as economic impact as well.

With the division of administrative responsibilities this holistic impact might be hard to demonstrate.

With growing reliance on active citizens in the delivery of social policy national governments must fill corresponding legislation with life and ensure that local administrations have the capacity to effectively collaborate with TS/SE. This includes reviewing service contracts practice, bureaucratic procedures and institutional cultures, the consistent implementation of collaborative and deliberative arenas across administrative departments and levels that promote the building of trust in transparent ways and allow an exchange of best practice.

Trust remains the number one determinant for collaboration. Earning it takes time and personal resources that are not always available. Public official should recognize the fact that TS/SE organisations often have the capacity to mobilise volunteers in ways that municipalities cannot, that they have a proximity to the target group that they have not, and they should be allowed to take the benefit of a doubt when organisations propose a possible solution. There is evidence that fostering trust and reciprocity in the context of local conditions, including collectively agreed operational rules, supports cross-sectorial collaboration (Nyssens & Petrella, 2015).

With the lack of general trust comes bureaucracy. Organisations, including long-standing players in the field, also complain about regulatory zeal that disenchants people from engaging in TS/SE activity, undermining the reciprocity dimension that is a key characteristic of the sector. Another factor is the exclusivity of advocacy. Hearing the voices of experts in the field and including them in policy decisions is key to create and maintain trust relations and makes collaborative partnerships more transparent. But who decides which experts are invited?

Despite the challenges, many TS/SE organisations find themselves in contractual relationships as service providers, but quite a few, mostly advocacy and service organisations, foundations and some non-profit associations are also regularly consulted on policy questions and see themselves as initiators or co-designers, indicating a certain openness of public agencies to incorporate innovations in providing services and trying new ways of dealing with socio-economic challenges at local level.

In stronger welfare state contexts public administrations might go through an adaptation period sharing responsibilities with TS/SE organisations. Despite long traditions of collaboration informants in Denmark, Germany and Scotland mention a possible anxiety of public agencies to loose influence through too much collaborative partnerships in areas that used to be exclusively domain of the state. Also public officials have to learn austerity and new public management. In Spain focus group participants spoke of 'social militancy' required through austerity, underlining the necessity to collaborate across sectors, complaining that input to policy platforms remains anecdotal, and that political change is slow and bureaucratic.

Collaboration works best when it is a win-win situation, where TS/SE organisation and public agency either follow similar goals or when organisations offer a service that serves other municipal goals. Not all TS/SE activity has the purpose to collaborate long-term, sometimes initiatives see themselves as an incubator to make it community owned, sometimes collaboration will be ongoing i.e. in the case of work integration of long-term unemployed and people with disabilities. Others yet do not seek close ties to administration as they see themselves as advocacy rather than service organisation. There is no recipe for channelling solidarity through TS/SE and public sector collaboration. A lot of barriers that are of either systemic, political or financial nature have sometimes worsened and sometimes promoted collaboration, depending on spatial factors as much as on personal commitment. If anything there is a general sense among TS/SE organisations of having something to offer and of public agencies in principle being ready to take them up on it. The modalities need further negotiation.

The wish 'to create a society where everyone is something for someone' (Focus group Denmark) is a strong motivator for many solidarity actions. Furthermore, the focus on the individual not only as sick, unemployed, or homeless but also as a member of community, a relative, a person confronted with multiple factors of exclusion is driving TS/SE action. Several informants, mostly from hybrid organisations, shared the impression that the work of their organisation is mostly perceived as social, while ignoring the economic contributions or vice versa (mostly in WISEs). Others complained that service contracts and competition distract from the community and advocacy aspects of organisations. Public officials interviewed referred to partnerships and collaboration in implementing social policy targeting certain groups and the win-win situation for administration, but there was little mention of the impact on the autonomy of individuals in social, democratic and economic terms and what this means for social justice. Maybe such value-oriented and normative reflections are more the domain of politicians than of public administrations.

Case studies across the SOLIDUS project illustrate the social justice dimension of solidarity action. They share a set of values they pursue in their work that aim at change and transformation: re-instating people's sense of self-worth, showing ways towards self-help and the capacity to act, and supporting them to take the first steps. Being in charge of one's own life is an important step towards autonomy, as being dependent on the help of others carries a stigma for many people. The solidarity economy framework underlines the voluntary participation of vulnerable people in an initiative offered by TS/SE organisations, implying that they want to improve or change their situation. This is evident in most of the cases studied.

TS/SE organisations can be a transit zone towards autonomy. It is in the attempt to leave no one behind where TS/SE organisations need political, financial and legislative support, networks, trust and the support of communities that together constitute the framework

conditions for fostering autonomy. Focus group participants in Scotland, Portugal and Spain underlined the role of collaboration for empowering individuals, particularly in shaping healthcare, describing it as 'the only way to keep an ongoing, meaningful dialogue and involvement with people who are living with mental health problems' and of 'embedding expertise' using a 'broader spectrum of evidence' (Focus group Scotland).

With their activities TS/SE organisations are pushing for alternative ways of providing services, of thinking, and of public discourses about their target groups, which are important contributions to democratic decision-making and participation. Even if direct policy impact is hard to measure or achieve, participating in public discourse through consultations, gaining recognition through media coverage or visibility in public spaces for the sake of presenting alternative solutions and sharing the perspectives of their target groups is a crucial component in maintaining and nourishing a democratic culture. Through their active engagement in the public sphere, organisations are able to promote both autonomy in the form of active and social citizenship to individuals and solidarity as a policy vision, albeit to varying degrees depending on target groups and surrounding environment.

Public agencies and policy makers need to understand better the solidarity economy principles and integrate them in their normative, strategic and institutional thinking. The plural perception of economy as market-based activity, redistribution, as well as various forms of reciprocity corresponds to the way many TS/SE organisations work. It needs a comprehensive vision of what collaborative partnerships can offer to target groups of social policy and individuals alike, with a stronger focus on the role of autonomy and what it means in relation to social justice in society. Then public agencies can reform the way they work, not only collaborating across sectors, bringing together the spheres of market, state and civic life, but also across administrative and political departments, to maximise support, efficiency and efficacy. Such targets would most likely increase the long-term social and political sustainability of European societies.

References:

Brandsen, T. & M. Honingh (2015) Distinguishing Different Types of Coproduction: A Conceptual Analysis Based on the Classical Definitions, *Public Administration Review*, May 2016, Vol.76(3), pp.427-435.

Brandsen, T. & Pestoff, V. (2006) Co-production, the third sector and the delivery of public services: An Introduction. *Public Management Review*, 8(4), 493-501.

Cornforth, C.H., J.P. Hayes and S. Vangen. 2015. 'Nonprofit-Public Collaborations: Understanding Governance Dynamics', *Nonprofit and Voluntary Sector Quarterly*, 44, 4, 775–95.

Defourny, J. & Nyssens, M. (2016) How to bring the Centres of Gravity of the Non-Profit Sector and the Social Economy Closer to each other? In *Voluntas* 27: 1546-1561.

Defourny, J., L. Hulgård & Pestoff, V. (2014): *Social Enterprise and the Third Sector – Changing European Landscapes in a Comparative Perspective*. New York: Routledge.

Edwards, M. (2004) *Civil society*. Cambridge: Polity Press.

Enjolras, B. (2015) "Measuring the Impact of the Third Sector: From Concept to Metrics", TSI Working Paper No. 5, Seventh Framework Programme (grant agreement 613034), European Union. Brussels: Third Sector Impact.

Enjolras, B. (2016) Assessing the macro socio-economic impact of the third sector in Europe. Theoretical considerations and some empirical evidences. TSI Working Paper Series No. 10. 7th Framework Programme (grant agreement 613034), European Union. Brussels: Third Sector Impact.

Eschweiler, J., Hulgård, L. (2018) *Channelling solidarity: inputs from third sector, social innovation and co-creation of public goods*. SOLIDUS Deliverable Report 5.2.

Evers, A. & Laville, J.-L. (eds.) (2004). *The Third Sector in Europe*, Cheltenham and Northampton: Edward Elgar.

Fonović, K, Zimmer, A. & Pahl, B. (2016) Policy recommendations for a sustainable development of the third sector, TSI Policy Brief 12/2016, 7th Framework Programme (grant agreement 613034), European Union. Brussels: Third Sector Impact.

Gardin, L. (2014). Gardin, L. 2014. 'Solidarity-Based Initiatives. Field Realities and Analysis.' In Defourny et al. In Social Enterprise and the Third Sector: Changing European Landscapes in a Comparative Perspective, edited by J. Defourny, L. Hulgård, and V. Pestoff. New York: Routledge.

Habermas, Jürgen (1996) *Between Facts and Norms. Contributions to a Discourse Theory of Law and Democracy.* Cambridge, Mass.: MIT Press.

Habermas, J. (1990) *Strukturwandel der Öffentlichkeit.* Frankfurt a.M.: Suhrkamp Verlag.

Hulgård, L. (2015): *Differing Perspectives on Civil Society and the State*, in J.L. Laville, D. Young & P. Eynaud (red.): *Civil Society, the Third Sector and Social Enterprise – Governance and Democracy*. London & New York: Routledge.

Hulgård, L. (2010) Public and social entrepreneurship, in Hart, Laville and Cattani *The Human Economy*. London: Polity Press.

Hulgård, L (2004) *Entrepreneurship in Community Development and Local Governance*. In: Peter Bogason, Sandra Kensen, Hugh T. Miller (eds.), *Tampering with Tradition: The Unrealized Authority of Democratic Agency* (s. 87-107). Lanham: Lexington Books.

Hulgård, L. & Andersen, L. L. (2012) *Socialt entreprenørskab – velfærdsafvikling eller arenaer for solidaritet*, Dansk Sociologi vol. 23, nr. 4. 2012.

Keane, John (1998) *Civil Society. Old Images, New Visions*. Cambridge: Polity Press

Keane, J., (ed.), 1993, *Civil society and the state*. London: Verso.

Laville, J.L., Salmon, A. (2015) *Rethinking the relationship between governance and democracy. The theoretical framework of the solidarity economy,* in Laville, J.L.,Young, D. and P. Eynaud (eds.) *Civil Society, the Third Sector and Social Enterprise. Governance and Democracy*, Routledge: London & New.York.

Laville, J.-L. & Hulgård, L. (2016) *Solidarity Economy, Reciprocity and Social Innovation – SERESI*, to be presented at forthcoming EMES Conference, Louvain-la-Neuve, 3-6 July, 2017.

Laville , J.-L. (2015) *Social and Solidarity Economy in Historical Perspective* in Utting.

Laville, J.-L. (2010) Solidarity Economy in Hart, K., Laville, j.-L. & Cattani, A.D. (eds.) The Human Economy, Cambridge: Polity Press.

Nyssens, M., and F. Petrella. (2015). The Social and Solidarity Economy and Ostrom's Approach to Common Pool Resources: Towards a Better Understanding of Institutional Diversity? In *Civil Society, the Third Sector and Social Enterprise. Governance and Democracy*, edited by J.-L. Laville, D. R. Young, and P. Eynaud. London & New York: Routledge.

Osborne, S.P. (2010) The (New) Public Governance: A Suitable Case for Treatment? In *The New Public Governance? Emerging Perspectives on the Theory and Practice of Public Governance,* Osboune, S.P. (ed.) London & New York: Routledge.

Pestoff, V. (2005) *Democratizing the Welfare State*, paper prepared for the EGPA Third Sector Study Group Conference in Bern, Switzerland.

EMES network

building knowledge together