

The South European and the Nordic welfare and third sector regimes – how far were we from each other?¹

Sílvia Ferreira

Faculdade de Economia da Universidade de Coimbra

Introduction

In this text I try to account for the South European countries welfare regimes main features in reference to the Nordic countries. I use the typology of Esping-Andersen (1990; 1999) on welfare regimes as a point of departure to discuss the particularities of the Southern European model, as well as Salamon and Anheier (1998) identification of third sector regimes. This means to imply that there is a connection between the type of welfare and the main characteristics of the third sector and its role in it, as it is also suggested by the underlying premises of the project on “Citizens’ Intermediate Organisations and Governance of the Challenges of Welfare Services in Nordic Societies” (Matthies, 2005a). Thus, the concept “regime” is used considering wider sources, actors and locus of social welfare and their specific constellation in a given society. The concept of third sector is used because it is the most commonly used internationally and broader in its meaning, including the wide range of otherwise called non-profit, voluntary, intermediate, and civil society organisations that are neither governmental nor private for profit. I acknowledge that even the idea of a “sector” does not go without contestation given the highly hybrid character of these organisations and the way they express the influences and relate to the different modes of coordination of state, market and community, and other organisations in the public sphere (Evers, 1995; 2004).

In addition to the literature identifying the characteristics of the Southern European regimes, I use data from the “Johns Hopkins Comparative Nonprofit Sector Project” in order to, in exploring the idea of third sector regimes, identify the places occupied both by the Southern European countries and other developed countries. This is done by dialoguing with the information collected by the Project to reflect upon differences and similarities between the Southern and the Nordic regimes.

A discussion of the specific trajectories of the welfare state in Southern European countries, as well as of the third sector, its insertion in welfare and its relationship with the state, is made by trying to explain the main reasons why this model and the social democratic model seem to be in the exact opposite sites. There is an underlying hierarchy that relates the welfare regimes to specific outcomes and important pre-conditions where Southern European countries seem to fail given their late process of welfare state building. Moreover, the place occupied by third sector organisations is also a result of this trajectory.

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Once made the distinctions between welfare and third sector regimes I will look at the contemporary changes and trends referring a set of common influences that are affecting qualitatively welfare regimes and the third sector insertion in them. Specifically, I will refer to recent changes in social policy and impacts of the European Union in Portugal, mainly looking at those that seem to have greater impact in third sector regimes, and consequently in welfare regimes.

I identify recent changes in Portugal as meaning a path break of its ideal-type model, even if having implied before that the Portuguese welfare model is somewhat an hybrid between the three (or four) ideal types. Some of the most structural and permanent features, as the place occupied by the third sector in welfare and the overall relationship between civil society and the state, are being fundamentally challenged as we go through the seemingly common to all European countries trends of: territorialisation and supra-national regulations, workfare or active labour market policies, safety nets and positive discrimination principles in place of the previous equalitarian principle, and partnerships in policy development.

The Southern welfare regimes at the mirror

The Southern European welfare model seems to be on the other end of the ideal type that the Scandinavian countries seem to materialise, according to the well-know typology of welfare states, now welfare regimes. In terms of a compromise with equality and the commitment to give to their citizens some autonomy from the market laws, the countries of the social democratic model perform better than the countries of the liberal and of the conservative/corporatist models (Esping-Andersen, 1990; 1999). The reason for this may lay in the expectations of each welfare regime (Goodin, 1999). That is why, in accounting for the features of the Portuguese welfare state, Santos (1990) considered it a quasi-welfare state in terms of the typical patterns and trajectories that characterise the Keynesian welfare state as defined by Esping-Andersen and others inspired by the Marshallian social citizenship tradition (Wincott, 2001). According to Santos, four conditions were missing in the building of the Portuguese welfare state: the possibility for a social pact between capital and labour, given the highly fragmented social structure; a balance between accumulation and legitimating tasks of the government, with clear dominance of the former after the 1980s; a high level of social expenses; and a state bureaucracy that internalized the notion of social rights as citizenship (Santos, 1990). Besides, this building came only in the mid seventies, after the Democratic Revolution of 1974, when the intention to create a social protection system based in the premises of the welfare state was stated. Portuguese, Spanish, Italian, and Greek welfare systems share a common set of features and trajectories that point to the existence of a specific welfare regime, although Esping-Andersen (1999) reinforced the idea that these countries belong to the conservative-corporatist model. Indeed, like the countries of the latter model, they are social insurance based, with the most of the social security systems providing benefits that are based on previous contributions and shaped by the participation in the labour market. In addition, welfare is largely dependent on the social reproduction work done in the household, mainly by women. Nevertheless, there are important features that stress distinctiveness such as: a) the existence of national health systems (although underdeveloped); b) the subsistence of a particular private-public mix, including the state, the market and the community, and non-profit organisations in several fields, such as health and social services; c)

important gaps of protection for those outside the core labour market and peaks of generosity for some groups (Ferrera, 1996); d) residual social protection for those outside the social insurance schemes which depend of eligibility criteria and benefits designed in a fashion not to discourage participation in the labour market (Leibfried, 1992); e) a passive subsidiarity principle, since there are no active state policies to promote the role of the family like those existing in continental Europe (Andreotti *et al.*, 2001)². Thus, contrary to the social democratic welfare model, benefits are at a low level and highly ineffective in reducing poverty and inequality, pensions occupy an important share of expenses while expenses related to the fight against poverty and social exclusion are very low, and social services provision is very limited. The different outcomes of the several models can be illustrated using the Laeken indicators of poverty and inequality. As can be seen in the following table, the countries from Southern Europe are those where poverty is higher as against those countries on the opposite side of the picture, belonging to the social-democratic model. The same could be said concerning inequality, where Portugal performs the worst score as the total income received by the 20% of the population with the highest income (top quintile) is 7.2 times higher than that received by the 20% of the population with the lowest income (lowest quintile).

Table 1. Effectiveness of social transfers in reducing poverty and fighting inequality in some European countries (2004)³

	Countries	Poverty risk before social transfers (a)	Poverty risk after social transfers (b)	Difference (a)-(b)	Inequality s80/s20 (2004)
Social democratic model countries	Sweden	43	11	32	3.3
	Finland	42	11	29	3.5
	Norway	32*	11*	21	3.6
	Denmark	39	11	26	3.4
Conservative/ Corporatist model countries	France	44	14	30	4.2
	Netherlands	37*	12*	25	4.0
	Germany	24	16	8	4.4
Liberal model countries	Belgium	42	15	27	4.0
	UK	43*	18*	25	5.3
	Ireland	39	21	15	5.0
Southern European model countries	Italy	45	19	26	5.6
	Spain	41	20	21	5.1
	Portugal	42	21	21	7.2
	Greece	40	20	20	6.0

* data for 2003.

² This feature is also coincident with the classification of Trifletty (1999) for these countries as being those where women are seen as mothers although special provision for the family is inexistent. Here, Portugal is the exception, as women are seen as workers and there are no special provisions for the family relating to care work.

³ This data is part of the Laeken indicators of Eurostat and can be accessed from the Eurostat webpage (http://epp.eurostat.ec.eu.int/portal/page?_pageid=0,1136184,0_45572595&_dad=portal&_schema=PORTAL). It includes measures of at-risk-of-poverty rate, before and after cash social transfers, whose threshold is set at 60% of the national median equivalised income. The measure on inequality is related to the inequality of income distribution s80/s20 income quintile share.

Considering the socio-historical features, the Southern European countries have also much in common: they went through important waves of migration of young workers to other European states, thus discouraging investment in professional training and labour market policies for the young (Andreotti *et al.*, 2001); they are marked by a weak process of industrialization with a transition from pre-industrial to post-industrial based mainly in high-service activities, like financial enterprises, and low-technology industries and low-service activities employing the majority of the population (except for North Italy) (Kurth, 1993); many of their welfare structures were built before democratisation and thus without the participation of civil society, and specially labour unions (Andreotti *et al.*, 2001); there is a strong weight of social Catholicism in Italy, Spain and Portugal (Leibfried, 1992), being the privileged status of a single Church (in the four cases) crucial in shaping social policies and the role of the state in welfare.

Furthermore, other characteristics were identified in these countries, such as strong primary solidarity networks based on kinship and community ties, that Santos called 'welfare society', a low state capacity to regulate large spheres of social life (despite being widely present), due to a combination of heterogeneity and fragmentation of social interests with the relative autonomy of communities vis-à-vis the state and the market enabling them to subvert state intervention through particularism (Santos, 1990), absence of a strong modern state bureaucracy, prominence of political parties as aggregators of social interests and weakness of civil society (Rhodes, 1997).

Portugal, Spain and Greece had authoritarian regimes until the mid- 70s⁴. The authoritarian past that is common to these countries is both a symptom and a cause of these features. It is significant that in all of them a similar rhetoric about organising the society into a corporatist state existed. Nevertheless, as Kurth mentions, "the social significance of these regimes, however, lay not in the formal corporate organisations that they created, but in the traditional corporate interests that created them." Among them: agricultural and industrial elites, the church and the military (Kurth, 1993: 42). Thus, the weakness of the political forces typically associated to the Keynesian welfare state expansion is partially an explanation for the specificities.

On third sector regimes

Drawing on a power resources perspective and considering the specific political trajectories, Salamon and Anheier proposed an explanation to account for the diversity of the third sector internationally. According to them, third sector and welfare state have grown together and are both a result of "complex interrelationships among social classes and social institutions" (1998: 228). They propose a social origins theory and refer to third sector regimes as being characterized not only by a particular state role but also by a particular position for the third sector; and, most importantly, each also reflecting a particular constellation of social forces. They build these ideal-types comparing the extent of government social welfare spending, and the size of the non-profit sector. As a result, the authors identify four regimes: the "social democratic

⁴ Indeed, the four countries share more than its authoritarian past. According to Kurth, they had similar trajectories and common political situations through history. The most contemporary and significant coincidences are the fact that by 1914 all countries enjoyed a parliamentary system and a "considerable realm of meaningful civil liberties" and a dozen years later all of them were under authoritarian regimes: Mussolini in Italy since 1922, Primo de Rivera in Spain in 1923, after years of alternation between civilian and military rule, in 1926, in Portugal, a military coup lead to the ascendance of Salazar, a similar situation of political unrest lead to the ascendance of Metaxas in Greece in 1936 (Kurth, 1993: 42).

regime”, including Sweden and Italy, is characterised by high governmental social spending, low size of the non-profit sector in services provision but high in other fields, with high reliance on fees as a funding source, and whose origins are explained by the political power of the working class in coalition with other classes; “the continental regime”, represented by Germany and France, also portrays high public social spending, a considerable importance of the non-profit sector mainly funded by the government, functioning as one of the ‘pre-modern’ state mechanisms to ensure elites support and avoid radical demands, and with its basis in the existence of key social elites supporting the state; the “liberal regime”, of the USA and the UK, includes low governmental social spending, an important role of philanthropy and nonprofits as the preferred alternative to governmental social provision. This regime is explained by the power of middle classes with low opposition from the traditional landed classes or the working class. Finally, a “statist regime”, exemplified by Japan, with low governmental spending, reduced non-profit sector, funded mainly by fees, and being explained by the high level of state autonomy towards middle classes and working classes, or its capture by business and economic elites.

There are some difficulties with the examples chosen by the authors, especially with the inclusion of Italy and France in the social democratic and conservative regimes, respectively⁵. Nevertheless it is useful here to retain the ideal types of third sector regimes and the underlying explanations. For instance, in accounting for the third sector in the United States, Salamon uses the concept of “third party government” (Salamon, 1987) to explain the context of a society where, first, state and civil society are seen as two separate spheres and, secondly, this society is not too enthusiastic of state intervention. Thus nonprofits are used to perform state tasks, transferring the public money to them. Regarding the corporatist model, I quote Anheier e Seibel mentioning that “the German welfare state is not a state affair at all” (1997: 136). They refer to the high degree of autonomy from the government in the areas of social insurance and social services provision, the former governed by tripartite self-regulated bodies and the latter provided by social welfare associations. In this case, instead of a separation between state and civil society, there is an emphasis on intermediate, organized bodies between society and the state that are attributed public responsibilities and authority by the state. Streeck and Shmitter (1985) call it “private interest government”, emphasising that, instead of competition and private interests (as we would identify in a liberal background), devolution of public responsibility to these bodies happens because they are supposed to serve the general interest. Finally, referring to the social democratic regime, Pestoff points out that since the 1930s nonprofits in the Nordic countries have been playing a fundamental role in the welfare state, identifying the problems and public responsibilities and having a positive effect in terms of contributing to the social and political project of “state-friendly societies” (Pestoff, 1998: 36). This same idea is prevalent in the papers of the present publication⁶. The paper by Bennedichte Olsen and Sissel Seim about the relationship between the state and users’ organisations gives a good illustration of the social movement basis and role of these organisations in the Norwegian welfare regime. This could not be more different than the liberal model, since instead of contributing to a minimum state, they press for the state to take up social services in order to generalise it to the entire population as a matter of rights under a politics of identity.

⁵ These remarks were made in papers appearing in *Voluntas* in the same issue as Salamon and Anheiers’s article.

⁶ The discussion of Annette Zimmer and her proposed typology of “nonprofit embeddedness” also identify coherence in the places nonprofits occupy in different welfare states.

In order to delve deeper into the Southern European third sector regime, I analyse the Johns Hopkins data considering the relative weight of services provision and expressive activities as well as the dominant logics of funding and volunteering. I separated organisations that are mostly producers of services (education, health, social services, local development and housing) and organisations that we might call expressive, including here cultural and recreational and advocacy organisations⁷, in order to relate the former more closely with welfare services.

Thus, we can identify four clusters in developed and transition countries (table 2). One cluster is made of those countries where expressive activities are dominant, government funding is less important than fees, and the work of volunteers is very important, such is the case of Finland, Norway and Sweden. These are the countries mostly associated with the social democratic model of welfare. Another cluster is composed by those countries where social services dominate, and funding is predominantly governmental. These are often associated with the corporatist-conservative model (France, Germany, Netherlands and Belgium), but also include the United Kingdom and Ireland, more often regarded belonging to the liberal model. The third group is composed of those countries where expressive activities have a reduced weight and services provision is very important. Despite this, governmental funding is relatively low and fees have a significant role, thus indicating an important degree of commercialization of the sector. Another significant feature is the low level of volunteer work in the total workforce of the sector. This group comprises the South European countries (Portugal, Italy, Spain) and the typical liberal model countries, United States and Australia. Finally, the fourth cluster is composed by the Czech Republic, Slovakia and Poland, where the most noticeable feature is the very low weight of the sector measured in terms of the percentage of its workforce in the total population, and although having significant weight in expressive activities, it has a reduced volunteering, being philanthropy a very important source of funding.

Although some general conclusions can be made through the observation of the Project data, such as, for instance, that the third sector is larger in those countries where a welfare state was developed, there is no exact correspondence with Esping-Andersen typology or even with Salamon and Anheier third sector regimes. Nevertheless, I consider that the main rationales remain valid⁸. I will highlight some aspects that are more striking in analysing the South European and the Nordic countries' third sector regimes.

The available data provide evidence of the particular place occupied by the Southern European countries since their third sector regimes fit better in the general characteristics of the third sector in countries of the liberal model. It is only at the level of the organisation of the sector, and its relationship with the state, that they get closer to the corporatist/ conservative model. These data also show that South European countries specificity is not related to any special weight of the third sector when

⁷ I understand that this distinction is getting more difficult and less legitimate these days as organisations are increasingly hybrid, with service producers getting more involved in advocacy activities and advocacy organisations more concerned with providing services for their constituencies (Minkoff, 2002). Nevertheless, this distinction may still be valid for the majority of organisations.

⁸ Another problem related to this data is the fact that they correspond to different time periods and not allow for an analysis on changes in the sector. Since the beginning of the project, in 1990, only some of the countries were updated in 1995. Other countries, like Portugal, have much more recent data (2002). The updated data for some countries, in 1995, showed some changes in terms of weight of funding, for instance, in the case of Germany, US and France there was a reduction in the amount transferred by the government with an increased reliance in commercial activities (in Germany the change represented 4%). In the UK and Japan there was an important raise in the percentage of governmental funding (7% and 5%). This suggests that the countries are moving closer in terms of the relative weight of public funding and commercialisation. See <http://www.jhu.edu/%7Ecnpp/pdf/ct11.pdf>.

compared to other developed welfare states; neither does state funding play a particularly significant role. Instead, it can be said that their specificities lay in the fact that there is a strong reliance on fees as a source of funding, which means that it is a form of privatization of social services.

Table 2. Comparisons between activities, funding and workforce in the third sector in developed and transition countries⁹

	Country	educ. health, soc service, develop. and housing	Culture, advocacy, environment	Govern.	FUNDS Phil.	Fees	Workforce as% econ. active. pop.	Volunteers as% of workforce
Important Services provision; Important Government funding	France	55.9	36.9	57.8	7.5	34.6	7.6	48.7
	UK	61.9	31.7	46.7	8.8	44.6	8.5	42.4
	Germany	61.0	25.8	64.3	3.4	32.3	5.9	39.0
	Netherlands	74.6	22.1	59.0	2.4	38.6	14.4	35.4
	Belgium	85.6	12.1	76.8	4.7	18.6	10.9	21.1
	Ireland	85.0	11.9	77.2	7.0	15.8	10.4	20.2
Important services provision; Important commercial activities	US	78.8	14.9	30.5	12.9	56.6	9.8	35.7
	Japan	75.0	6.7	45.2	2.6	52.1	4.2	23.8
	Spain	71.1	24.1	32.1	18.8	49.0	4.3	34.9
	Australia	66.8	27.0	31.2	6.3	62.5	6.3	30.2
	Italy	62.5	28.1	36.6	2.8	60.6	3.8	39.5
	Portugal	59.0	18.0	40.0	12.0	48.0	4.0	29.0
Mostly expressive; Funding commercial	Finland	42.6	50.1	36.2	5.9	57.9	5.3	52.8
	Norway	35.5	48.1	35.0	6.9	58.1	7.2	61.1
	Sweden	22.6	57.8	27.8	9.1	62.3	7.1	71.8
Reduced sector weight; Services and expressive	Czech Rep.	42.3	45.4	39.4	14.0	46.6	2.0	35.0
	Poland	49.4	35.4	24.1	15.5	60.4	0.8	25.0
	Slovakia	33.5	49.8	21.9	23.3	54.9	0.8	25.0

If we take the Johns Hopkins project data for Portugal, we will even see that the social services organisations are funded by fees in a very high percentage (66%), while government funding only represents 26%. It is only in health and education that government funding has an important role (82% and 66%, respectively). Private philanthropy is contributing mostly to expressive activities (Franco *et al.*, 2005). Despite of governmental underfunding of social services organisations, their importance is very high in social welfare as only 2.5% of social welfare services are publicly managed. The share between non-profit and for-profit managed social services is 73% and 25%, and the trend is for an increase in the number of these services (they grew almost 40% since 1998), as well as for an increase in the number of for-profit providers

⁹ This table was elaborated from the data made available by the Johns Hopkins Comparative Nonprofit Sector. Data on activities was drawn from the table 3, (<http://www.jhu.edu/%7Ecnp/pdf/table301.pdf>), data on sources of funding without volunteers is transcribed from the table 4, (<http://www.jhu.edu/%7Ecnp/pdf/table401.pdf>), and data on third sector workforce and volunteers is drawn from the table 1, (<http://www.jhu.edu/%7Ecnp/pdf/table101.pdf>). Data on Portugal was collected from the recent study made within this international project and can be found in the National Report (http://www.jhu.edu/%7Ecnp/pdf/Portugal_Nat_Rpt.pdf).

(its share was 20% in 1998). Although the public discourse prefers to associate non-profit providers with public providers in a so called “solidarity network” versus a “profit network”, the costs of services for the users, if they don’t fall inside the income levels giving access to the state subsidies, are the same in the non-profit and the for-profit sectors (DGEEP, 2004). This gives us a completely different picture as that of social welfare services in Finland and Sweden, as well as of the typical relationship of the Nordic voluntary organisations with the state, namely acting as watchdog instead of assuming state functions and as partners instead of being contracted by the state to perform these tasks (Matthies, 2005b).

The distinctive feature in the Nordic countries seems to be not only the particular role third sector organisations play in welfare, but also the weight of expressive activities and volunteering. The account made on the national profiles of the research in the Nordic countries demonstrates the importance of this issue, as opposed to the attention dedicated to the same subject in Portugal, where the percentage of volunteers in the organisations workforce is also reduced. Furthermore, the report shows that there is consensus around the particularity of their functions, stated as giving emphasis to voice, accountability, expertise, avant-garde and togetherness (Matthies, 2005b). This idea of the third sector organisations as a place where people meet seem to be absent from most of the sector in Portugal, particularly in those organisations where professionalism plays the fundamental role. Although not exclusively, this is also connected to the prevailing values in the Portuguese society. A brief exercise looking at the European Values Survey tells us that Portuguese tend to spend more time with colleagues from work or profession or at church and spend less time in sports clubs or voluntary organisations¹⁰.

The third sector regime in the South European countries

The most important specificity in the Southern European third sector might be the fact that the official recognition of these organisations as integrated in a specific sector and of its role played in welfare occurred very lately and it is not even totally accomplished¹¹. This seems to be more related to the particular nature of politics and society in the Southern European countries, namely the fact that state responsibility for a modern welfare and the constitution of a social sphere of civil society separated from the state occurred very late. Not alien to this were the last lingering authoritarian political regimes in these countries.

Portugal and Spain resemble in the particular way the state delegated to church-related organisations the provision of welfare during their dictatorships, together with repression of autonomous organisation by civil society. State responsibility for social welfare in modern terms, i.e. guaranteeing social rights, appeared only in the seventies (1976 in Portugal and 1978 in Spain) and for the following decade it was visible in both countries the reshaping of the relationship between the state and civil society organisations. In the case of Spain, this happened since 1985, mainly at the local level, with nonprofits creation being promoted by local authorities to contribute to service delivery. This is the decade of the sector expansion as more than half were founded after 1986, against only 16% before 1975. Then, in 1988, a National subsidy programme for

¹⁰ See World Values Survey database in www.worldvaluessurvey.org/services/index.html.

¹¹ See account for different degrees and ways of recognition of the sector in European countries in CIRIEC (2000).

social action NGO was created opening the possibility to assign 0.52% of the personal income tax for a chosen catholic or social action organisation (Montagut, 2005). This was highly relevant as it provided a source of funding relatively independent from the government as well as promoting the visibility (and public accountability) of organisations. Especially when the relations established at the local level generated clientelist relationships (Montagut, 2005: 26).

In Italy, the tradition of the relationship between the state and the third sector also seemed to be marked by clientelist relations. In the absence of sector federations, and in the background of the domination of the public sphere by parties and labour unions and the important weight of the Catholic Church, third sector organisation interests in social policymaking were represented through these agencies. This led to “hierarchical subordination of non-profit organisations to these political-institutional agents” (Ranci *et al.*, 2005: 3). The panorama that only changed in the 1990s was of contracts between public agencies and nonprofits being awarded through private negotiations and no national uniform policy towards the sector, whether in their role as service providers or in their participation in policy decisions. Nevertheless, public funds accounted for 75% of organisational resources in the fields of social services (Ranci *et al.*, 2005), thus implying a strong dependency of organisations from particular relationships.

In Portugal, it happened in a slightly different way, as social services nonprofits (under the statute of *Instituições Particulares de Solidariedade Social* – IPSS) were recognised in the democratic Constitution of 1976 as contributing to the aims of the public system of social security¹². A National Statute (1979), the IPSS Statute, was negotiated between a newly created peak organisation of *Misericórdias* and the Catholic Church organisation that governs church welfare organisations (*Conferência Episcopal Portuguesa*). Similarly to the British charity law, the statute recognised special status to non-profit organisations pursuing a given set of activities. This statute, that came to be changed in 1983, considered nonprofit organisations as part of the social security system and, in line with this, they had a role as partners in a permanent commission set out to articulate the relationship between the state agencies and non-profit organisations (Ferreira, 2000). However, since the early 1980s, the neoliberal discourse against state expansion and for devolution to civil society became dominant in social policy-making¹³. Similarly to Spain, but with different consequences, since it occurred at the national level, third sector organisations were seen as an instrument to save public resources while still responding to the demands for the expansion of the welfare state. Then, organisations’ claims for more autonomy and withdraw of state regulations over their services coincided with governmental objectives. Several instruments were designed at the national level to regulate the relationship between the state and social service nonprofits, such as the cooperation agreements, consisting of contractual agreements for the provision of services, which created a stable source of governmental funding and, at the same time, worked as another strong source of institutional isomorphism (DiMaggio and Powell, 1991). These agreements were framed by a national level protocol (cooperation protocols enacted since 1992), signed periodically

¹² It was stated in the constitution: “the organisation of the social security system will not affect negatively the existence of non-profit private institutions for social solidarity, that will be allowed, regulated by law and monitored.

¹³ We might ask what civil society was there then after the 48 years of authoritarian regime, where even the corporatist organisation of society failed (Schmitter, 1999). Indeed, what we witness in the 80s is that this devolution to civil society is made at the same time as the building of a civil society. The fact that this is a very productive decade in terms of legislation creating all sorts of statutes for private bodies (from cooperatives to private pension funds) is good evidence (Ferreira, 2000). Identifying this fabric of civil society, Santos proposes the concept of secondary civil society, where the state has an active role in creating selectively the social actors of civil society that are relevant for the pursue of its politics. This selective creation of a civil society has as a counterpart the blockage of the organisation of other interests not promoted by the state (Santos, 1990).

between the Ministry of Social Affairs and the three peak associations representing the sector¹⁴. These peak organisations have been playing a very important role in policy-making at the national level, participating in a wide range of consultative and even in policy development bodies, including the Economic and Social Council (since 1991) the national consultative body of the social security system, together with the government and social partners. They are also among the advisors in ministerial advisory bodies for particular subjects (disabilities, drug prevention etc.), participate in a more informal way in the technical commissions and are co-producers with the public administration of norms and technical indicators that softly regulate the provision of social service (Ferreira, 2000). In Portugal there is no umbrella organisation encompassing these social services federations and the other existing organisations of the third sector, such as local development initiatives, advocacy organisations, cooperatives, and so on. Instead, there is mutual unawareness and/or competition and organisations do not speak a common language or have a common agenda towards the government. It seems not to be far from the corporatism referred by Zimmer (1999) in the case of Germany, characterised by the important role played by traditional peak organisations in terms of reinforcing exclusionary strategies inside the sector. However, in the case of Portugal, there is the dominance of a discourse about the relationship between the state and the third sector and each other's role in social welfare, coincident with the subsidiarity principle. However, it is not a modernised subsidiarity principle as it does not translate a conception of a general interest founded on the idea of social citizenship.

It is interesting to notice that while in the 1980s the German non-profit sector went through major changes and traditional peak organisations monopoly was challenged with the introduction of competition principles (Zimmer, 1999) the opposite happened in Portugal in this same decade. The story of the exclusionary strategies can be illustrated by the case of social solidarity cooperatives, formerly Cooperatives for the Education and Rehabilitation of Disabled Children, which were only fully given a statute similar to that of IPSSs in 1996, even though they were operating side by side with associations in the same field to which the statute was recognised.

Differently from Portugal, in Spain and Italy the third sector is now organised through encompassing confederations. This step was taken in Spain in 1998, through the Platform of Social Action NGO, promoted from the initiative of the government, and including a wide range of federations of several sub-sectors, such as patients organisations, ecology, immigrants, rural development, disability, women, Red Cross, and so on. This is the representative body of the sector before the government (Montagut, 2005). In 2001, a State Council of Social Action was created in order to promote participation and cooperation in the development of social welfare policies within the Ministry of Work and Social Affairs. In Italy (Ranci *et al.*, 2005), the third sector also came to be recognized during the 1990s, with the creation of a legal status for services provision, tax concessions, identification of forms and channels for state funding. This change came along with the leading role of new organisations, such as volunteers' organisations and social cooperatives that have been shaping the discourse about the third sector in Italy. In 2000, a national law on social services abandoned the idea that the third sector performed a supplementary role to state services and these

¹⁴ The three peak associations represent the whole sector in the social services industry, all of them being IPSSs. One represents mutual associations that develop activities complementary to social security (pensions), and also social services; other represents *Misericórdias* – a catholic inspired, although quite autonomous organisation founded in the XV century through a special permission of the Pope to the Portuguese queen D. Leonor –, to which was attributed public authority in provision and regulation of social services even during the dictatorship; a third one, representing the remaining IPSSs, the largest one, includes a wide variety of organisational forms, traditions, philosophies and is normally ran by a priest.

organisations gained access to planning and policy-making. The first umbrella organisation for the sector was created in 1997 (Third Sector Forum) and recognised as the sector representative for dialogue with the government. In 2000, this organisation was included in the National Council for Economy and Labour.

Traces of a path shift in the Portuguese welfare regime

Until now I have been emphasising differences between the countries and mainly between the South European welfare regimes and the social democratic ones. Nevertheless, looking at recent changes, an important convergence seems to be happening. I will focus on both the most general level of changes in developed societies and on changes and conditions for change happening in Portugal. The emphasis on the Portuguese case is justified by its own specificities¹⁵ and the peculiarities this created to the corporatist arrangements between the state and the third sector. This makes the comparison with the changes in the Nordic countries and the discussion of current trends even richer in terms of questioning the outcomes.

There is an important amount of literature about changes in European welfare regimes¹⁶, and the use of the concept “regime” is already an important change from the previous focus on the state welfare. Three phenomena seem to be happening simultaneously. One is a change of scholarly focus on the several sources of welfare besides the state, including the market, the family and the third sector. One of the moments for this change of focus might be traced back to theories of welfare pluralism (Johnson, 1999), on the mixed economy of welfare. Another change is in the political and normative discourse that came with the end of the so called “social democratic consensus” and the challenges posed to the role of the state in welfare and in society by a wide range of political perspectives. Finally, a third change is related to a greater tendency towards more hybridism in welfare provision and governance, being the growing prominent role played by the third sector one of its aspects, but also the role played by the market, with examples such as the introduction of quasi-markets, market principles and market expansion in the provision of welfare. This means that there is a growing set of institutions and forms of coordination governing social welfare (Evers, 2004). Besides, a wide range of social policies and parts of social welfare are now frequently – but not exclusively – organised by the state, through private-public partnerships and networks of actors and institutions, in a move from government to governance and meta-governance (Jessop, 2002).

Thus, even if in quantitative terms we are not witnessing welfare retrenchment or there seems to be no fundamental changes in the paths followed by the states of the ideal types drawn by Esping-Andersen (Powell and Barrientos, 2004), qualitative changes seem to be happening as it is very well illustrated in the case of the Nordic societies in the discussions of this Project. Some of these features seem to bring Nordic third sector regimes closer to the Southern European ones such as: the increasing mixture of the three sectors, private, public and non-profit in social services, the growing weight of the

¹⁵ Some of them more shared with the Nordic countries than with the other Southern European, such as the high centralization of the welfare administration and policies. For an account of the specificities of the Portuguese welfare state building see Ferreira, 2005.

¹⁶ Esping-Andersen defines regimes in the following way: “‘Regimes’ refers to the ways in which welfare production is allocated between state, market, and households” (1999: 73). According to Wincott (2001), this is a major change in Esping-Andersen framework that goes almost unnoticed in Esping-Andersen’s book.

for-profit sector in this field, the shift towards contractualisation as the preferable relationship between organisations and the state, the increasing weight of service activities in detriment of the “voice” functions of organisations, integration of organisations in welfare systems and homogenisation, growing financial (and regulatory) dependency upon the state, professionalisation and formalisation in organisations and emergence of privileged relationships between umbrella organisations and government (Matthies, 2005a).

Although not the only one, the European Union is a considerable source of change in welfare regimes affecting member-states, thus creating a more complex framework to understand policy change in a given society. Since the accession date to the, then, European Economic Community, in 1986, and even during the accession phase, this supranational institution has been crucial in influencing the Portuguese welfare regime. This, along with the structural features we have been describing, help to explain the seemingly permeability to the influence of different policy models in the Portuguese welfare regime¹⁷. Therefore, I will now identify some changes in Portuguese social policies and welfare since 1996, tracing the picture of what we could consider a path break in the typical characteristics associated with its welfare model, including the place occupied by the third sector in it. Strikingly, some of these changes echoes those changes also identified in the Project reports.

- *Programs and projects became an important instrument to address social problems.* This was already diagnosed in the policies to fight poverty and social exclusion as it meant a short term strategy to address structural problems of Portuguese welfare state, since it did not lead to any permanent commitment by the state on improving the welfare rights of those typically excluded or with insufficient social protection (Rodrigues, 1999). A considerable number of these programs are financed by programmes and initiatives of the European Social Fund and thus framed by new governance mechanisms and institutions. In these projects a much larger number of sources for regulation emerge with its specific rationalities: evaluation indicators and procedures, prioritization of issues, partners and partners’ roles, accountability procedures and relevant stakeholders, concepts and cultures. This same trend is mentioned for the case of the Nordic welfare state, inserted in a trend towards a greater selectivity by the state towards citizens (Matthies, 2005b).

- *European funded programmes are having an important impact on the third sector.* Through projects financed and framed by European programmes and initiatives, third sector organisations, that are the main actors in their implementation, have new sources of funding and regulations besides the existing ones at the local and national levels. This means that they are less dependent (although not totally independent) of particular relationships, including clientelist and corporatist arrangements. On the one hand, this created a more pluralist civil society as it can be seen by the strengthening or even the emergence of an important set of organisations as the result of some European programs. One example is the case of the local development initiatives created under the aegis of LEADER. On the other hand, new philosophies, methods and resources have been incorporated in these organisations. Here I would mention as an example the strong potential normative impact of the EQUAL initiative for producing the guiding principles of projects activities and their operationalisation through public-private

¹⁷ Guibentif (1997) refers to the influence of the German and English models at the beginning of the twentieth century, the Italian model in the 1930s, the French model in the 1960s and the European model in the 1980s.

partnerships and trans-national networks. Finally, another possible impact is in terms of the pressure for professionalisation of organisations as a basic condition for being able to apply and run these highly complex projects in terms of operation and accountability procedures.

- *As an aspect of the growing importance of networks substituting the previous dominance of hierarchy*, the government created a wide range of partnership bodies at the national and local level that, more than being just consultative or dedicated to policy implementation, are policy development bodies. Among these I can name the national body aimed at creating opportunities for the inclusion of disadvantaged groups and people without employment in the labour market, the so called social employment market (*Comissão para o Mercado Social de Emprego*). At the local level I would mention, as an example, the same logic in the Local Commissions of the Minimum Income Guaranteed¹⁸, composed of public bodies, third sector organisations, labour unions, local government and others (except for beneficiaries representatives, which do not exist). These Commissions are responsible for negotiating, evaluating and contracting social insertion programs with each beneficiary.

- Another significant change, in a context of a highly centralised government and system, is the attempt to transfer to the local government, mainly municipalities, the responsibility for the organisation of welfare. This *territorialisation of social protection policies* is exemplified in the innovative “social network” program, aimed at fighting poverty and social exclusion. This network is supposed to be composed by all social actors who can contribute to the identification of local needs and solutions in a given territory and to be organised by the local government. Hence, they are composed by a very wide range of public agencies (including those of the national administration, such as social security, education, justice, health etc.) and public institutions such as schools, health centres, the police etc., and a wide range of third sector organisations, from social services to advocacy organisations and cultural organisations. Since it involves two levels, the first being the parish and the second being the municipality level, potentially all social actors from all levels will participate in this network. A national framework for the social diagnosis and functioning of these social networks is provided by the Social Security administration. Given the picture sketched of the existing corporativism in the Portuguese third sector, this can be easily understood as a path breaking measure regarding the relationship between the state and the third sector. Interestingly, this same trend to municipalisation, that is shared by the Nordic countries, also seems to imply a shift in the traditional functions of third sector organisations as they are asked to work more as providers than watchdogs at the local level (Matthies, 2005b).

In terms of welfare state reform, the second half of the 1990s was supposed to be the frontier that marked a new relationship between the state and the third sector in Portugal. In 1996, the national government, local government representatives, and the three peak organizations representing IPSSs signed a “Cooperation Pact for Social Solidarity”¹⁹. This Pact, and the commission it created was supposed to become the

¹⁸ The Minimum Income Guaranteed programme is another path break in the Portuguese welfare model, as it introduces, in the social security system, a social right to a minimum income for all residents as a safety net. Nevertheless, it is important to notice that this benefit is marked by a workfarist philosophy as it is dependent of means test, of a level under the poverty line and dependent of a contract where the candidate commits to enter a social insertion program. This benefit that lacked wide political consensus and even popular support was explicitly justified, in the Portuguese Parliament, in 1996, with the Recommendation 92/441/CEE of the Council of Ministers of Social Affairs referring to common criteria related to resources and benefits in the social protection systems.

¹⁹ This pact was initially a proposal by the Confederation of IPSSs to solve problems of the existing contractual arrangements and legal framework. The government accepted the proposal of a pact but included the local government in its ambit.

framework governing the relationship between state and IPSSs and included five principles for this relationship: autonomy of organisations, recognition of the nature and objectives of organisations, subsidiarity, planning in cooperation with public administration (central and local) and participation of all in the design, planning, execution and evaluation of social policies at national, regional and local level. Besides that, other initiatives were envisioned such as the revision of the IPSSs statute, the legislation on the contractualisation with the state and the inspection powers of the state. The fact that the fundamental issues addressed by the pact are still under negotiation is evidence of the difficulties of changing the existing relationship.

Conclusion

This text was built with the underlying assumption that there are fundamental differences separating the Nordic societies from the Southern European societies. I departed from the typologies of welfare regimes and third sector regimes to underline these differences and used mostly the discussions in Portugal and in the South European countries to contrast the discussions on the Nordic societies. In these two cases some of the changes in welfare systems and in the third sector demonstrate pathbreaking trends.

In assuming these differences, a double perspective was taken considering both the empirical differences between these societies and their modernisation processes and the theoretical standpoints underlying the way we select which parts of reality to pick up and the way we evaluate these differences. This double approach is very well illustrated in the results of this Project showing that the same issues that are said to constitute the specificities of the Nordic societies are also those that are more studied. Interesting would be to do the same exercise in the Southern European countries as there is a deep general unawareness of the research taking place in these countries. It would certainly deepen considerably the knowledge we have on these societies as they are normally said to be specific. However, the features under which they are characterised are more usually stated in negative terms, related to other societies or idealtypical models. This does not mean that the ideal-types are not an important instrument against which we can study ongoing changes and measure the large range of possible outcomes.

A striking conclusion from this exercise is the realisation that societies, even if so different, are undergoing similar processes of policy reform and even through very similar policies: emphasis on the third sector as provider, multi-sectoral partnerships, projects instead of policies, municipalisation of policies, contractualisation, and introduction of market logics or market competition. Nevertheless, we should not immediately conclude that a process of homogenisation is going to occur as structural, institutional, organisational and cultural differences are going to remain. Thus, we still need to work on the existing differences, as well as on the theoretical models we are using to evaluate changes.

Finally, one issue that still needs to be assessed and is increasingly absent from the discussions on recent changes in welfare and welfare policies is the nature of the providers. Research on the Portuguese case has showed that there are regulatory issues concerning the nature of services being provided by third sector organisations, not only due to their specific nature but also to the complex relationship between these organisations and the state (Hespanha *et al.*, 2000, Ferreira, 2000). They are not only

providers; they maintain an unclear statute of representatives of particular groups or are seen as experts on the needs of these groups. The balance between these two roles and the outcomes of trying to balance these roles in different arrangements and in different societies has numerous expressions and raises numerous questions and discussions that are also illustrated in this Project and in the discussions of the research seminar.

In Portugal, and confirming what Salamon (1987) stated about voluntary failure, there are problems with private organisations providing public services, especially if public regulation is not prevailing. When “privatisation” occurs in the context of state dismissal of public responsibilities, as in the Portuguese case it did (regarding what was stated even in the Constitution), the outcomes can be selection of clienteles, lack of quality in services and lack of public accountability, all of these not acceptable under public services logic. In this case, professionalisation creates the possibility for raising the quality of services (especially if professionals are socialised under a public service culture) and the creation of competition between providers may reinforce the regulatory capacity of the state. This sounds paradoxical under the discussions we are having on the role of the third sector, but it intends to illustrate the attention we must give to particular contexts and the permanent tensions existing inside the third sector organisations, as mixes in the welfare mix (Evers, 1995).

On the other hand, we cannot deny that in Portugal, and in the case of social services, third sector organisations have been making a constant pressure upon the national state, for instance, to finance much needed social services for families (mainly child care and old aged social services). This is very important as women participation in the labour market is very high; closer to that in the Nordic countries. It is curious to realise that these achievements are not made by women organisations, but, instead, they develop from the internal logic of social services organisations not particularly concerned with women situation. Still missing are, in general terms, the features that usually define the services and agendas provided by third sector organisations such as greater adequacy to people’s needs and special attention to the needs of the most marginalised groups, being the case of the disability movement probably the exception. These voices are almost totally absent from the public arena, for lack of mobilisation capacity but mainly for the existing barriers to their entry, to which the existing corporatist arrangements within the third sector also contributes. Clearly, there is a tension between a role for third sector organisations as expression/carers of the most marginalised or specific groups or as expression/carers of society as a whole. Once more, this is very much the result of the way the third sector is embedded in a particular society.

Finally, considering the conditions for change, the Portuguese peak organisations in the field of social services resist path breaking changes as they will certainly undermine their power structures, organised at the national level with a privileged relationship with the government. For instance, the municipalisation of policies is seen as creating concurrence between third sector organisations and the local government, if not opening possibilities for more clientelist and particularistic relationships through deepening the dependency from local government. On the other hand, any attempt by the state to take up as public responsibility part of the services that are being provided, almost exclusively, by third sector organisations can be seen as a threat to the survival of the sector, thus resisted. Indeed, we could not think of anything more different than the role of advancing social citizenship rights that third sector organisations in the Nordic countries are said to be performing. It is thus this role we must keep highlighted when talking about the third sector.

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