

Department of Social Policy

**From European Social Fund Local Social
Capital Pilots to mainstreamed Global Grants:
the third sector and policy transfer**

Isabel Crowhurst, Ignacia Fernandez
and Jeremy Kendall

June 2005



Number 13

Third Sector European Policy Working Papers

General introduction to TSEP Working Paper series

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This paper is part of the **TSEP Working Paper series**, and is based upon work conducted by the authors within the Third Sector European Policy (TSEP) network. The primary, overarching objective of the network is to describe and analyse the trajectory of 'horizontal' (industry cross-cutting) European policy towards the 'third sector', understood as a 'multi-level process' (see Appendix for a Glossary of terms).

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Individual members of the network share an expertise on the third sector in their countries, but come from diverse disciplinary backgrounds (including political science, sociology, and policy studies). Countries included are the Czech Republic, France, Germany, the Netherlands, Italy, Spain, Sweden, Switzerland and the UK.

The sample includes:

- Major geographical regions of the EU/larger as well as smaller countries
- Different types of national constitutional structures and welfare systems
- 7 established Member States, one new Member, and Switzerland

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Executive Summary

In the Europeanisation literature, the example of European Structural funds, and EU-sponsored programmes in general, have often been used to discuss the impact of EU policy on domestic and local governance. Whilst in earlier scholarship the focus was nearly exclusively on the download of European structural policies, recently a more nuanced understanding of Europeanisation has led to the development of approaches that take into account the combination of downloading *and* uploading components of EU policies. It is within this framework of intertwined processes, 'whereby European ideas and practices transfer to the core of local decision-making as well as from local policy-making arenas to the supranational level' (John, 2001: 73), that this paper explores the role of the third sector in the implementation of European Social Fund Local Social Capital Pilots and mainstreamed Global Grants in France, Germany, Italy, Spain and the United Kingdom.

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This paper draws upon work conducted by research partners in the Third Sector European Policy (TSEP) network though any errors are the responsibility of the authors alone. The financial support of the European Commission, national funders in the European Science Foundation collaboration scheme - including the Economics and Social Research Council (ESRC) in Britain - and the Charities Aid Foundation are gratefully acknowledged.

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Foreword

While studies of the third sector as an economic and social actor, and their significance within particular fields of policy have grown significantly in recent years, their links to broader policy processes are poorly understood. This paper is part of an effort to fill that gap, and is one in a series which seek to build our understanding of the nature of the third sector's relationship to the European policy process.

Putting together 'European public policy process' and the 'third sector' suggest an extraordinarily wide range of potential subject matter. Earlier papers in this series focused on the national situation in nine countries. This paper, however, has a different focus. It develops an analysis of a particular policy initiative, which in recent years has been processed at the national and European level and actually or potentially implicates the third sector in both - what the TSEP network has referred to as a 'core case' (see Appendix 1). It is important to note that the unit of analysis is the policy initiative relating to the third sector, the policy actors (*all* sectors) that cluster around it, and the institutional context that frames its development - and not the third sector itself, or individual third sector organisations. These 'core cases' necessarily involve actors from both domestic third sector policy communities or networks, and EU level actors and institutions, in jointly designing and/or implementing policy: in other words, in the EU policy analytic jargon, they involve 'multi level processes', although not necessarily multi-level governance (see Appendix 1).

In settling on 'core cases' for exploration, three considerations were taken into account. First, the cases were deliberately chosen to capture a reasonable amount of the diversity of the generic EU policy process. Reflecting the highly complex EU constitutional set up, the precise institutional configuration which the multi-level process involves varies considerably according to topical and issue area, so initiatives were chosen to pick up some of the main sources of variation in terms of *policy mode*, ranging across the Community Method, the Open Method of Co-ordination and other variants.

Second, we have also aspired to capture the extent to which the third sector is involved at *multiple stages* of the policy process; the link to the third sector literature here is that scholars have pointed to the third sector's 'polyvalence' and multiple functionality (see TSEP Working Paper 1).

Third, cases were chosen which seem to involve at least the theoretical opportunity for third sector engagement of a horizontal form. This could be either in the sense of involving policy actors in cross cutting domestic and/or European policy processes identified in step 1; or in the sense of engaging with third sector organisations from across a range of 'vertical' industries from within 'human' or 'social welfare' services (in US and UK language respectively), and even beyond it (such as environmental protection, or international development), or with needs and constituencies defined in terms of cross-cutting issues. Table 1 lists the EU-specific cases examined, and shows how each captures a different combination of policy mode, policy stage/third sector function, and meaning of 'horizontality'.

Table I: EU-specific ‘Closed cases’ examined in TSEP

<i>EU policy case</i>	<i>Policy mode/ year of initiation</i>	<i>Policy stage</i>	<i>Third sector ‘function’</i>	<i>Sense in which policy case is ‘horizontal’</i>
<i>European Statute of Association</i>	Traditional Community method, 1984	Agenda setting	Sector advocacy (for customised legal instrument)	Legal mechanism potentially relevant for organisations wishing to undertake economic and social activities across Member State borders
<i>National Action Plans for Employment: Orientation to ‘civil society’ and ‘social economy’ change over time (most recently Horizontal objective C in 2002, and Guideline 10 in 2003 respectively)</i>	Policy coordination and benchmarking: Open Method of Coordination, 1997	Implementation and evaluation	Advocacy through demonstration, service delivery	Third sector organisations from range of industries can be involved in national employment strategies
<i>National Action Plans for combating social exclusion: Objective 4 invites ‘mobilisation of NGOs’</i>	Policy coordination and benchmarking: Open Method of Coordination, Lisbon process, 2000	Implementation and evaluation	Advocacy through demonstration, service delivery, community building	Third sector actions, including social welfare services, culture, recreation and environmental protection, explicitly linked to social inclusion
<i>Local social capital element of Structural funds, esp ESF*: Piloting (Article 6) and mainstreaming (Article 4.2) with special access to NGOs</i>	Multi level Governance/Partnership, 1999 (pilot), 2000 (mainstreamed)	Design, Implementation and evaluation	Innovation, Service delivery, community building	Small community organisations often active across fields; some funded initiatives explicitly promoted as fostering ‘horizontal’ initiative; ‘Social capital’ concept not tied to particular industry
<i>Convention on the Future of Europe/Constitutional process</i>	Not identified as ‘mode’ in literature: Unique and unprecedented (2002)	Agenda setting	Sector advocacy (for constitutional recognition of socio-political role)	Constitutional design: draft (yet to be legitimised by national level processes) refers to the <i>generic</i> role ‘representative associations’ in ‘the democratic life of the union’; the extent to which ‘single market rules’ apply as a general principle; specifies ‘fundamental rights’ cutting across fields; and refers to EESC’s role regarding ‘civil society’

* European Social Fund

In addition, the process of preparing for, running and following through to the United Nations Year of Volunteering (2001) - as well as the medium term legacy it has bequeathed - has also been examined in all countries. This has been to explicitly bring an analytic spotlight on volunteering as an aspect of voluntarism, which is a key ingredient in at least some national and international third sector definitions; to form an impression of how UN and EU may compare as 'external shocks' (even if the connectedness of EU and domestic institutions of course implies that the EU is no longer purely 'external' to Member States); and to enable the inclusion of Switzerland in the multi-level core.

Appendix 2 to this paper provides more details on data sources. This paper is part of our first, tentative efforts to move towards a more systematic account of European third sectors' roles in contemporary policy processes, but we hope they will provide a platform for further work in the years to come.

Jeremy Kendall
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31 August 2005

From European Social Fund Local Social Capital pilots to mainstreamed Global Grants: the third sector and European policy transfer

Isabel Crowhurst, Ignacia Fernandez and Jeremy Kendall

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1. Introduction

Since the late 1990s efforts were made by insiders within the European Commission to facilitate the third sector in accessing the distribution of post 2000 European Social Funds (ESF, see Box 1). The Commission's interpretation of the Regulation of the European Parliament and the Council for involving NGOs in ESF strongly favoured the requirement that all Member States provide small grants to local level NGOs and other local partners for operations concerned with combating social exclusion (Kendall and Anheier, 2001). The Local Social Capital pilot project (LSCPP) launched by the Commission in 1998 under Article 6 of the ESF (1994-1999) is an example of this innovative commitment to deliver a portion of the EU budget to local third sector organisations, in the case of LSCPP, with the specific aim of 'enhancing the social cohesion and employment opportunities of excluded groups' (Handbook for Promoters, 1998: 3). Moreover, ESF Article 6 projects are designed to test new approaches and ideas on aspects of policy that could be adopted in mainstream Structural Funds programmes, hence LSC pilots had also been conceived as projects to identify and test good practices for the implementation of the so-called 'Global Grants schemes' in the new ESF programming phase (2000-2006), these are small grants for non governmental organisations to facilitate the inclusion of people from disadvantaged communities in the labour market.

The scope of this paper is threefold: firstly we explore how the opportunity offered by these programmes to third sector organisations to become policy *actors*, and not exclusively instruments of European public policy (Billis, 1993), has been translated into praxis. Further to this we problematize the very feasibility of this opportunity by taking into account the multiple challenges of this policy process (from LSC pilots to Global Grants), the heterogeneity in the relationships between the various tiers of governance in the implementation and management, as well as the policy-making capacity and commitment of each of them across the five countries under study, where different historical and cultural factors strongly shape the possibilities for the development of European policy development (Kendall, 2003). Significant attention is also given to the impact of Brussels-based policy dynamics on the policy process: from the design of the programmes, to their implementation, then evaluation and mainstreaming. Lastly, by unpacking the complexity of these programmes, the paper sheds light

on the extent to which the third sector's horizontal third-sector specific policy positioning¹ in these countries was enhanced by and/or influenced the implementation of the programmes. We will show how, while predictably the general pattern is one of problematic application of principles that are good in theory, the policy process also generated positive results which sustained lesson drawing and maintained these principles in the long term.

The paper is structured as follows: it initially presents an overview of the architecture of the programmes by outlining the measures regulating Local Social Capital and Global Grants programmes. It then presents some preliminary analytical considerations that serve to better understand the country-specific sections that follow. The last part identifies issue-specific factors of this policy process and suggests explanations for the national situations presented and their variation.

The arguments presented draw on empirical evidence collected through qualitative research conducted by TSEN partners at the national and European level², the examination of relevant secondary sources produced at the national, sub-national and European level, as well as relevant scholarly literature.

¹ For clarifications over the use of these and other terms adopted in the paper, see Appendix 1.

² For a more detailed outline of the methodology and methods adopted by the TSEP network, see Appendix 2.

Box 1: Some background on European Social Fund and its recent evolutions

The European Social Fund is the longest established Structural Fund, set up in 1957 by the Treaty of Rome to promote employment and increase the geographical and occupational mobility of workers (Europa website³). While for the first three decades of its existence, Member States could choose ESF policy priorities and implement them without the need to involve any sub-national actors (Bache, 1999; Hooge, 1996), after the 1988 reform the administration and implementation of EU structural policy substantially changed, and the entire framework of regional support was, at least in theory, redesigned (Bailey and De Propris, 2002). Among the numerous innovations introduced were the four new guiding principles of concentration, programming, additionality, and partnership that now govern the administration of the funds (Bache and Ollson, 2001). Concentration indicates that funds resources are concentrated in neediest areas (Pollack, 1995) and work towards the achievement of three main objectives⁴. Programming regulates the advanced planning procedures for each seven year-long programming period (1994-1999, 2000-2006, 2007-2013, etc). The principle of additionality requires that Structural Funds have to be used in addition to national funds and not to replace them. Lastly, the concept of partnership, which is most relevant for the case under analysis here, is defined as the

close *consultation* between the Commission, the member states concerned and the competent authorities designated by the latter at national, regional, local or other level, with each party acting as a partner in pursuit of a common goal (Regulation (EEC) No 2052/88, emphasis added).

In the 1993 Structural Funds reform a reference was added on the possibility that social and economic partners could also take part in the *design* and implementation of the funds (Pollak, 1995), and after 1999 the involvement of environmental agencies and NGOs was explicitly encouraged (Bache, 2000). It is also relevant to mention that the modifications of the regulations of the Funds adopted in the most recent reforms (1988, 1993, 1999) place increasing emphasis on assessment and monitoring through the identification of specific strategic and policy aims and expected improvements and outputs (Europa website⁵). For this purpose, monitoring committees were set in place to help oversee the effectiveness of ESF assistance and adjusting the programmes, based on practical and operational experience (Europa website⁶).

³ http://europa.eu.int/comm/employment_social/esf/en/overview/chapter1.htm

⁴ Originally the objectives set were seven and were reduced to three after the 1999 reform. Objective 1 funds promote the ‘development and structural adjustment of regions lagging behind in development’, Objective 2 the ‘economic and social conversion in regions encountering structural difficulties’, and Objective 3 the ‘adaption and modernization of national education, training and employment’ (DTI, <http://www.dti.gov.uk/europe/structural.html>).

⁵ http://europa.eu.int/comm/employment_social/esf2000/index-en.htm

⁶ http://europa.eu.int/comm/employment_social/esf/en/overview/chapter3.htm

2. Article 6 Local Social Capital pilots (1994-1999) and Article 4(2) Global Grants programmes (2000-2006): an overview

Whilst ESF provides assistance mainly through Community Support Frameworks - that are established by the Commission *in collaboration with* the Member States and regions concerned (Report to the European Social Fund Committee, 2001) - and the EQUAL Community initiative programme, Article 6 provides a third and distinct form of support that ‘permits the Commission, *at its own initiative*, to finance ‘operations of an innovatory nature’ in Member States or at Community level’ (ibid: 3, emphasis added). The so-called Article 6 measures are aimed at assisting in

the development of future policy and programmes by exploring new approaches to the content and/or organisation of employment, including vocational training, and industrial adaptation. The measures include pilot projects, studies, exchanges of experience and information activities. The added value of the innovative measures carried out under Article 6 stems from the lessons that can be drawn from these innovative approaches which allow for experimentation of new ideas and demonstration of new hypotheses, from the possibilities of identification of good practice and the *exchange of knowledge and experience that can be transferred* to the mainstream European Social Fund. As such, Article 6 constitutes a direct interface between policy and practice, between what is established and what can emerge. It facilitates the communication of policies to practitioners ‘on the ground’ and, at the same time, it is a means by which *practitioners are able to inform the policy process at European level* thus ensuring that new policy initiatives take account of the operational context in which they must be implemented. (Europa website⁷, emphasis added).

The design of this type of pilot project was influenced by the experience gained in the social inclusion area of the Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland (1995-1999) where NGOs were used for the first time⁸ as ‘Intermediary Funding Bodies’ (see Box 2) to manage the Peace programme:

⁷ http://europa.eu.int/comm/employment_social/esf2000/article_6_en.htm

⁸ The success of Intermediary Funding Bodies (IFB) in the 1995-1999 period led to the continuation of the programme for a further five years (2000-2004), with IFBs involved again as key actors in the delivery mechanisms (Taillon, 2004).

they were close to the final beneficiaries and target groups, they knew about their needs and problems, and managed efficiently the moneys entrusted. The Article 6 pilot is testing the transferability of the approach to other territories of the European Union (Europa website⁹).

During the seven years of the past programming period (1994-1999), funding was provided under Article 6 up to a limit of 0.5% of the ESF annual allocation¹⁰, and a total of 201 projects were financed, grouped under the three different headings of improving the labour market, new job sources, and local social capital (for a breakdown of the financial allocation to each sub-programme, see Table 1).

Table 1: Overview of Article 6 projects 1994-1999

	1994 - 1995 Improving the Labour Market	1996 – 1997 New Job Sources	1998 Local Social Capital
Number of projects supported	86	84	31
Total value of projects	€6,337,185	€9,050,854	€34,073,965
Average budget per project	€1,003,921	€22,034	€1,099,160
Total ESF contribution	€1,070,551	€3,400,140	€28,102,285
Average ESF contribution per project	€177,564	€421,430	€906,525

Source: Europa website¹¹

The three-year Local Social Capital Pilot Projects (LSCPP) were launched by DG Employment in July 1998 to test the potential contribution of local social capital to social inclusion; after a call for proposals, 31 projects were selected and 30 of them became operational¹², they were supposed to

⁹ http://europa.eu.int/comm/employment_social/actions/a602_en.htm

¹⁰ This became 0.4 % for the 2000-2006 period.

¹¹ http://europa.eu.int/comm/employment_social/esf2000/article_6_1994_99_programme-en.htm - capital

¹² The 30 pilots were conducted in 12 Member States: Austria, Belgium, Germany, Denmark, Spain, France, Finland, Greece, Italy, Ireland, Portugal and the United Kingdom. One project - ENVI.DE.P, Piraeus, Greece - was not implemented.

In this paper we do not include any specific analysis of four TSEP network countries, i.e. the Czech Republic, Switzerland, the Netherlands and Sweden. While Switzerland obviously does not benefit from ESF, the Czech Republic has only just recently introduced ESF Global Grants programmes, and was not a Member State during the past and most of the current ESF programming phase. We did not include the Netherlands and Sweden mainly due to the difficulty encountered in retrieving information about Global Grants programmes in both

commence in September 1999 and be completed in early 2002¹³. Following the model adopted in Northern Ireland, LSCPPs - and subsequently also mainstreamed Global Grants - were designed to be managed by a non governmental intermediary body (IB thereafter, see Box 2 and Table 2) 'which acts as the delivery mechanism responsible for carrying out the operation'¹⁴.

countries. In fact neither Sweden nor the Netherlands had LSC pilots, no Swedish potential IB applied to participate in the 1998 bid, and we are still not able to confirm at this stage that the same happened for the Netherlands. While Article 6 pilot programmes took place in that country, it is opaque whether any of these should be categorised as 'Local Social Capital'.

¹³ Due to late start, 13 projects were completed within an extended period, up until the end of August 2002.

¹⁴ http://europa.eu.int/comm/employment_social/esf2000/documents/report_94_99_en.pdf

Box 2: Intermediary bodies

The use of non governmental Intermediary Funding Bodies (IFB) - later called simply Intermediary Bodies (IB) - to lead and manage European funded projects was pioneered in the 1995-1999 Peace I programme in Northern Ireland. As Taillon reports, Peace I (and later also Peace II) IFBs had some distinctive features, including being independent of the state 'and, more importantly, perceived as being so', possessing a strong thematic base, thus benefiting from extensive networks of contacts, and being seen as 'bringing an element of bottom up development' (2004: 5).

Similarly, in the framework of the LSC pilots an IB has to be a non-governmental body (or consortium of NGOs) that operates through a wider partnership at local or regional level, in order to 'have an in-depth knowledge of the socio-economic situation of the territory in which it intends to operate, both in terms of existing problems and operational social support structures'. Its main tasks include direct financial support of micro-grants to micro-projects promoters, supervision and 'quality technical and logistic advice'. They 'must be financially sound and capable of maintaining sound and transparent financial relations with the Commission as well as with project promoters' (Handbook for Promoters, 1998: 6).

In the guidelines outlining the aims and functioning mechanisms of the pilot programme, the IB is defined as being local social capital itself:

local social capital means an intermediary body, operating at regional or at local level, capable of providing back up for people who pool their resources with a view to carrying out micro-level projects which promote employment and social cohesion (Europa website¹⁵).

These considerations show how crucial intermediary bodies are in these programmes, both from a practical point of view, as managers of the funds, and as the symbols and bearers of the very notion of social capital. However, as explained in later sections, the ambivalence that surrounds the meaning of 'social capital', has created problems both for those who wanted to be intermediary bodies but were not allowed to (as in the case of European foundations, see Box 4), and for the IBs that were selected and had to struggle at times with different interpretations of the notion. For instance, as Evans reports 'the perception of some potential project beneficiaries is that Local Social Capital refers expressly to the grant funds; this causes some confusion, especially when these beneficiaries are told that grants are not for capital expenditure!' (2001: 4).

Lastly, while the nature of the tasks of IBs did not change substantially from the piloting to the mainstreaming phase, the non-governmental status strictly required initially, does not apply for Global Grants IBs. Each member state has set new rules in this respect, opening up the position to third sector organisations, local/regional authorities, as well as quangos with strong links to the government.

¹⁵ http://europa.eu.int/comm/employment_social/actions/a602_en.htm

As specified in Article 6 measures, the pilots had been conceived as experiments - to test both a method of decentralised delivery and the potential contribution of local social capital (Europa website¹⁶) - aimed at informing similar projects in the subsequent programming period, as outlined in Article 4(2) of the 2000-2007 ESF Regulation of Objective 1 and 3, which prescribes that

the programming of Fund interventions shall provide that a reasonable amount of the Fund appropriations made available for the intervention within Objectives 1 and 3 shall be available [...] in the form of small grants, with special arrangements for access by non-governmental organisations and local partnerships. Member States *may* choose to implement this paragraph in accordance with financing arrangements set out in Article 29 [...] (Regulation (EC) No 1784/1999, emphasis added).¹⁷

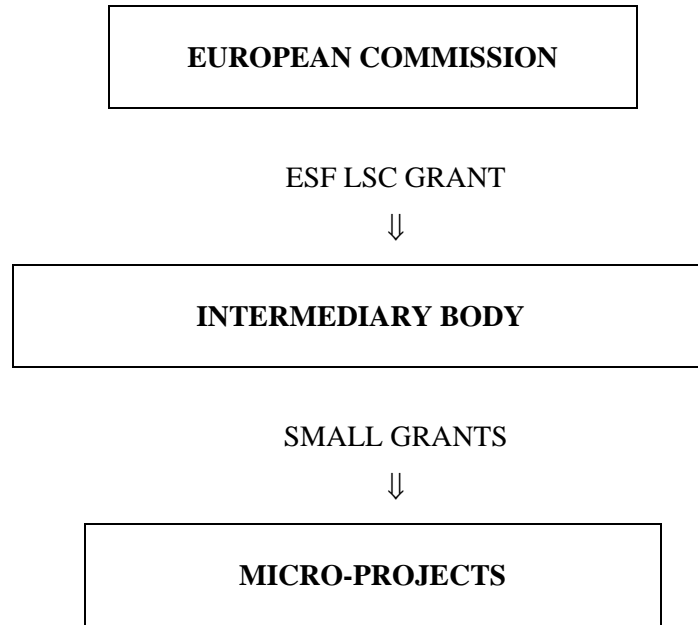
¹⁶ http://europa.eu.int/comm/employment_social/esf2000/article_6_1994_99_programme-en.htm

¹⁷ The meaning of the sentence beginning with 'Member States *may* choose to implement this paragraph' remains quite ambiguous, despite the numerous attempts we made to try to clarify it both with Brussels-level functionaries and NGOs staff. Does it mean that member states *have to* implement the paragraph, but *may* choose to implement it according to financial arrangements set out in Article 29? Or rather, that member states *may* choose to implement the whole Global Grants programme? The text of Article 4(2) as proposed by the Council, before it was amended in the form it is now by the Parliament, seems to suggest, although still with some ambiguity, that the application of the programme as a whole is not compulsory:

The programming of Fund interventions shall provide that a reasonable amount of the Fund appropriations made available for the intervention *in question may be available*, in conformity with Article 27 of Regulation (EC) No .../99, in the form of small grants, with special arrangements for access by non-governmental organisations and local partnerships.

From: http://europa.eu.int/eur-lex/pri/en/oj/dat/1999/c_279/c_27919991001en02940295.pdf

Table 2: Local Social Capital Pilots - Article 6 ESF



In order to provide recommendations for the application of successful approaches in Article 4(2) programmes and to improve the implementation of pilots as they run, LSCPPs had to be accompanied ‘by an in-depth and continuous evaluation which aims to provide conclusions and recommendations for wider application of successful approaches in mainstream ESF, in particular Article 4(2), as well as improving implementation of the LSC Pilot as it runs’¹⁸. IBs were supposed to provide DG Employment with one start-up, two interim and one final report. In addition to these requirements, in December 1999, the Commission contracted independent consultants (LRDP) to carry out an external evaluation of the LSC Pilots on an on-going basis over a period of three years, with separate annual (initial, interim and final) reports (see Box 3).

Also relevant to mention is the EU-level steering group that was convened by the Commission at the onset of the pilot programme (LRDP Report, 2003), it included ESF administrators from the Commission, an Irish actor who had been involved in the Peace programme, a representative of a micro-credit scheme from Italy, the member of one of the Spanish IBs who is also the coordinator of

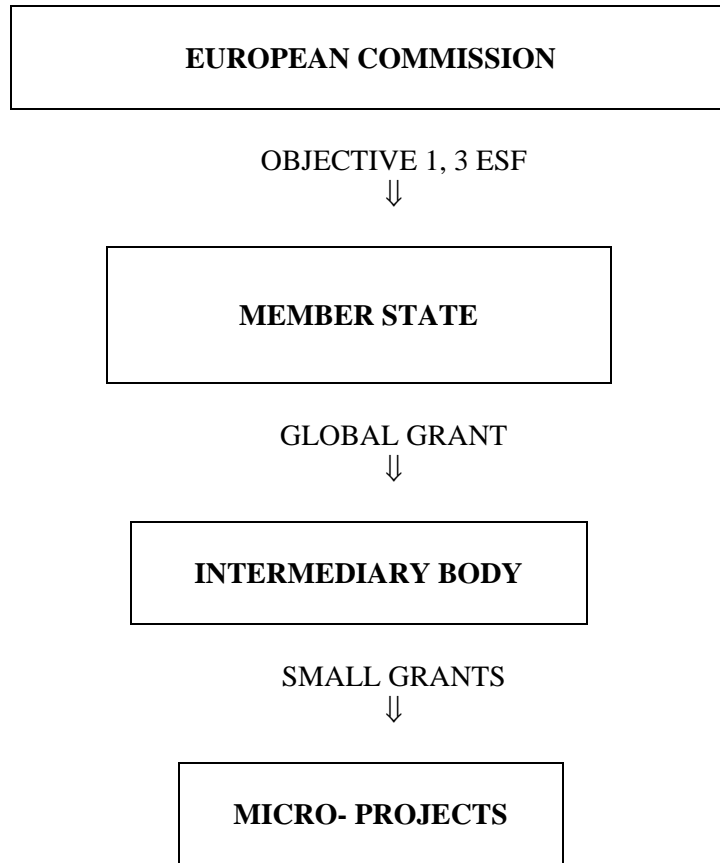
¹⁸ Report Presented to the European Social Fund Committee:
http://europa.eu.int/comm/employment_social/esf2000/documents/report_94_99_en.pdf

the EAPN task force on the Structural Funds, and a representative of European foundations¹⁹. The main tasks of the group were, according to the EAPN, ‘to provide material for the pilot projects on the basis of other experiences; draw on the experiences of and promote the setting up of European-scale projects; develop synergy among the various Community operations and programmes’ (EAPN report, 2003: 14). This committee was expected to meet twice a year, but its last meeting was held in April 2001.

Lastly, mainstreamed Global Grants, operate in a very similar way to the pilots, they are managed by a non governmental IB that provide small grants to non-governmental organisations that would otherwise not be able to access ESF. The small grants must contribute to the aims of the ESF by helping people from disadvantaged communities or groups move closer to the labour market. The main difference with Article 6 LSC pilots stands in the delivery of funds, in the case of global grants these are distributed to IBs by member states and not by the Commission as in the case of LSCPPs (see Table 3).

¹⁹ Apart from brief mentions in the LRDP and EAPN evaluation reports of LSC pilots, it has proven very difficult to find information on the work and activities of the Steering group. We were able to gather some information in the course of an interview with a key actor of one European foundation; other than this, in many instances, even staff from IBs were not aware of its existence.

Table 3: Global Grants in ESF 2000-2006



Box 3: LRDP final evaluation report

The official evaluation of the LSCPPs was carried out by consultants LRDP who were contracted by the Commission from 1999 over a period of three years. The overall aim of the evaluation, which consisted of two annual reports (interim and final) produced each year, was

to ‘test the hypothesis’ as to whether the combination of characteristics present in the approach of the LSC Pilot can provide an effective and efficient solution to social cohesion and employment for groups disadvantaged in the labour market. The results of the evaluation *were to provide conclusions and recommendations for wider application of successful approaches in mainstream ESF interventions* (LRDP, 2003:1; emphasis added).

While summaries of the year 1 and year 2 evaluation reports are available, the final report was publicly disseminated only in the second half of 2003.

In terms of methodology, the evaluators found LSC Projects too heterogeneous to develop a single comprehensive evaluation framework, and for this reason in many instances, they struggled to evaluate notions such as ‘social capital development’ and ‘value added of the LSC approach’, given the diversity of socio-political and economic contexts where the pilots took place. This was clearly expressed by one of our interviewees from the unit originally responsible for the pilots:

What are the administrative conditions, what are the political conditions in member states? [...] This was also I think one of the points that made the evaluation rather difficult. Because there were 30 intermediary bodies dealing with 3,300 micro projects in completely different environments and circumstances. Then it is really difficult to come to one single conclusion. I think this is the main problem of this evaluation: what fits for one Member State doesn’t fit for another Member State. The legal conditions are very different from one to another (TSEP interview).

Nevertheless in the final conclusions, on the subject of NGO involvement, the LRDP concluded that projects led by such groups had been effective in adopting the LSC approach, and

generally the LSC approach and methodology is transferable and could be mainstreamed. Such types of innovative actions are best developed by local level actors/partnerships and, provided national level structures are supportive and the few existing barriers are overcome, LSC could be mainstreamed on the basis of its merits, namely: effectiveness of local level NGOs working with a variety of multi-sector partners in reaching target groups and having an impact on social inclusion and employment; flexibility of IB and continuous adaptation to local conditions; significant value added of IB operating as part of a network; effectiveness of IBs in supporting a variety of innovative actions in different sectors (2003: 1).

Box 4: EAPN evaluation

At the European level, the strongest supporter of the pilot within the NGO world was the European Anti Poverty Network (EAPN). In 2003 they published their own evaluation '*The potential of local social capital in the struggle against social exclusion*' that relied on a survey of national and European members of the EAPN as well as intermediary bodies (although in both cases there was a very low response rate) to investigate the visibility of the pilot as well as its functioning. The report concluded that while the programme had been successful in developing LSC, and IBs are a good way of developing this type of programme, there had been almost no national (except in Spain) nor European visibility, and suggested that this was a major barrier to mainstreaming.

The author of the report expressed frustration at the refusal of LRDP to discuss its evaluation with him, something that he considered unusual, and a sign of the delicacy of the subject for the Commission. Even though he had meetings with the evaluation officials in DG Employment, he had to face their reluctance to publish national level evaluations and delays in the final report.

While this might appear as surprising, especially in comparison to EAPN's close and relatively cordial relationship with the same DG on other issues and particularly the NAPS (ibid.), the blunt criticisms of the report might be seen as a sign of the EAPN's proximity to the Commission which allow space for constructive criticality.

3. Innovations and procedures: some preliminary analytical considerations

Before proceeding to a more detailed analysis of how these programmes were originated, managed and operationalised both at the European and national level, this section provides some preliminary considerations on the innovative aspects of the scheme and on the nature of the policy process they generate.

As presented in the previous section, the language and rhetoric used in European documents that define the objectives, regulations and methods of operation of LSC projects display considerable optimism, thus suggesting that high expectations - prompted by the success of Northern Ireland's precedent - were put in the deliverables of these new programmes. Such enthusiasm may be explained also by the novelty that these schemes introduced by assigning a crucial role in the advancement of social inclusion through ESF to a number of non-governmental bodies. This important new step in the management of European funds needs to be understood in conjunction with the introduction of the principle of partnership in Structural Funds management (see Box 1), which, as a large body of literature suggests (Marks, 2000; Bache, 1999; Hooge, 1996; Pollack, 1995; et

alia), generated a substantial change at the EU level from an intergovernmentalism system to one of multi-level governance in which ‘decision making competencies are shared by actors at different levels rather than monopolized by state executives’ (Marks et al, 1996). For the first time a ‘bottom up’ approach to regional policy design was introduced in structural policy by formally involving the actors (Bailey and De Propis, 2002) - including both public authorities, semi-public and non-state actors (Thielemann, 2000) - that are ‘most familiar with the problems and priorities of targeted regions and social groups’ (Bache and Olsson, 2001: 216). The development of partnership is an important thread running through the design and regulations of Article 6 programmes, with practitioners from local dimensions called in to exchange knowledge and expertise and inform the policy process at the European level (Europa website²⁰). Both the notion of partnership and that of local social capital, as explained in the guidelines, results in policy models that incentivize cross-cutting cooperation between third sector organisations involved in the various stages of policy implementation, and cross-sectorial co-ordination between third sector and other bodies at various policy levels.

In relation to these aspects it is relevant to point out that the embeddedness of the organisation/practitioner in its local reality and the detailed knowledge of its socio-economic dynamics were among the ‘missing factors’ that the Commission adduced as an explanation for the rejection of the application by a European foundation to be an IB for LSC Article 6 pilots. This aspect is dealt with in more detail in Box 4. However, what is important to stress in relation to this event, is the narrow interpretation of non-governmental bodies in these programmes, which include some, but not all parts of the third sector. Similarly, Evans argues that despite the somehow inclusive definition of local social capital in Article 6 guidelines, there is ‘a surprising absence of what might be considered social economy projects among those in receipt of support from the intermediary organisations charged with developing local social capital by the methods identified’ (2001: 4).

Also relevant to point out is how, in the scholarly literature, European policy processes are often distinguished between the three distinct levels of institutional design, planning and implementation, with each stage differing substantially in its respective logic of governance (Thielemann, 2000). Although, as already mentioned, in this paper the focus is on the implementation stage, the boundaries between the three levels of policy process are significantly blurred. The implementation of LSCPPs was not meant to be the final stage of the policy process (i.e. operationalisation of pre-set

²⁰ http://europa.eu.int/comm/employment_social/esf2000/documents/report_94_99_en.pdf

measures). Rather, it was designed to initiate a generative process of lesson drawing: one 'by which actors in one time or place draw lessons from another time or place that are then incorporated into their own practices and policies' (Bache, 2000: 3). In other words, the LSCPPs/GGs policy process was not to follow a traditional linear trajectory from one stage to the next, but because lesson drawing and policy transfer were built into its system, the process was supposed to assume a circular movement, where the experience of implementation feeds back into the design stage. Hence, both policy formulation and policy implementation shape policy, a situation that according to Bache is often true in the EU system 'where dependence on national actors for implementation provides scope for initial policy decisions to be transformed as they are put into practice' (Bache, 2001: 220). This consideration is particularly important, in that it highlights the crucial role of the practitioners 'on the ground', not just as implementers, but as determinant actors in policy learning and policy design.

Box 5: The foundations issue

A number of leading European foundations since 1996 have been very supportive of the idea of LSC pilots, also in light of their involvement with DGV in establishing innovative approaches to build 'social inclusion in communities across Europe' (AICI, 1997: 12). AICI, the Association for Innovative Cooperation in Europe, reports that at a European Round Table Conference in the Hague in 1997 (sponsored by the European Cultural Foundation), Pdraig Flynn (the European Commissioner with responsibility for Employment and Social Affairs) was enthusiastic about the potential partnership between foundations and the Commission in the field of social inclusion. At that time the shape of 2000-2006 ESF was already under discussion within the Commission, and in relation to this Flynn expressed his desire to see

the ESF increasingly make provisions for the sort of bottom-up approach exemplified by the programme to promote peace and reconciliation in Northern Ireland. This had shown how relatively small sums of money, well-targeted, could produce hugely beneficial effects in mobilizing local communities and enabling them to tackle problems such as exclusion and alienation, as well as economic issues such as long-term unemployment. [Therefore] he would be proposing [that] for the next period of structural funds, each member state should earmark a small proportion of their ESF allocation [...] for these purposes. This would then be channelled through funding *bodies such as foundations or NGOs...*' (AICE, 1997: 16, emphasis added).

These considerations shed light not only on the very early stages of the design of the LSC programmes, but also on the role that foundations were supposed to have - together with other non-governmental bodies - in their implementation. However, the transition from a rather rhetoric and speculative phase to the actual design of LSCPPs resulted in a change in the requirements of what IBs should be. AICE's application to be an IB was rejected in that the foundation did not respond to all the requirements indicated. This came as a surprise to AICE, and as one of its representatives told us 'we thought that [...] this [the LSC pilot] was done to link Foundations to these types of programmes at the grass roots. And it was just the wrong perception'. According to him, the explanation for the rejection had to be found in the 1998 corruption scandals of the Commission that 'is becoming [...] a body which is afraid of taking risks. Because there is a report of auditors [...] and so [...] they are also afraid [of us] as risk takers, because we are more entrepreneur than they are' (TSEP interview). Nevertheless, the foundations were invited to sit on the Steering committee and their representative became crucial in providing leadership in the Committee meetings and late conferences.

4. Brussels-level dynamics

The actualisation of LSC pilots appears to be the result²¹ of the entrepreneurship of key individuals both in the third sector community (in this case, European foundations) and the Commission (in particular Commissioner Flynn) who - inspired by the positive results of the Irish peace programme - had a crucial role in initiating the policy process and ensuring its successful implementation. The launch of the pilot in the course of three seminars (in Brussels, Belfast and the Ardennes) organised by the Commission was also saluted with enthusiasm even though one of our informants said that already in the course of these events, relations were made difficult as the IBs had not been officially confirmed as recipients of funding and were uncertain of their status. Soon afterwards there seems to have been a major loss of direction and leadership in DG Employment, mainly caused by the high turnover amongst the staff working on the project in the unit responsible that was dispersed in various other departments, some working on implementation, and others on evaluation. The motivations underlying this change were never clear to the people involved, as clearly expressed by one of our interviewees:

both the pilot project, plus the evaluation of the pilot project was in one single unit. But then the unit was split – I don't know who, by chance or whatever the projects went to another unit, [...] and the evaluation stayed with [...] this unit. I don't know why the split happened, but it was part of the reorganisation. Maybe it is more logical that Article 6 is in one of the geographical directorates. There are two ESF geographical directorates, B and C, and because [the pilot] is part of the ESF, maybe it was more logical to transfer it to one of the geographical directorates. This is the most logical explanation for me (TSEP interview).

These internal changes also heavily affected the management of the evaluation by seriously affecting continuity, as the same civil servant told us. Nevertheless, at the same time efforts were made to consult on a regular basis with those people who had been in charge before they left:

²¹ As it has been confirmed by a number of Brussels-level interviewees both within and outside the Commission.

a Commission official left this unit and joined another unit. Even then, the previous official in charge was consulted, for continuity. But this applies for all the Commission's evaluation studies, projects, high mobility and flexibility. Of course, people have different views, as to whether this is good or bad. Also, in policy terms, the Commission launches policies one year, and next year the Commission is already further or at another policy item. Which is not more important but more actual (TSEP interview).

DG Employment had to face other practical difficulties in working with partners beneath the national level - many of whom had little previous experience of EU projects - thus echoing their interest in dealing with more broadly organised and stable networks of third sector organisations, for example at the Brussels level. Some of these concerns surface in the Commission's final executive evaluation summary which stresses that while NGOs could be successful intermediaries, the pilot had missed the involvement of partnership with 'business', a requirement that had not been specified in the original documents. Interestingly, in the course of an interview the author of the report stressed that the pilot had been testing 'an instrument' only and should not be seen as a case of 'policy', which is obviously in stark contrast with the initial claims.

5. National variations

This section presents some relevant aspects of the process of implementation of the LSC pilot and Global Grants programmes in the five aforementioned countries.²²

Germany

Four LSC pilot projects were conducted in Germany²³, although in one case part of the funds originally assigned were re-allocated - with EC approval - to reconstruction programmes in the regions devastated by the 2002 flood. According to one of the IBs in charge, funding micro projects,

²² In this section, whenever available, we also refer to country-specific comments drawn from a) the 1999 EAPN country report on Structural Funds '*European Manual on the Management of Structural Fund*', that provides background information on the third sector's accessibility to European-funded programmes at the time of the beginning of the LSC, and b) the 2003 EAPN report on LSC programmes pilots '*The Potential of Local Social Capital in the Struggle Against Social Exclusion*'.

²³ All of them started with significant delays, due to difficulties encountered by IBs in filling in the documentation needed.

as opposed to large ones, was exceptionally successful in that it allowed the involvement of smaller organisations and through them reached particularly excluded groups. Less enthusiastic was the Berlin-based IB that published recommendations based on experience gained, in which it displayed criticism over the limited financial resources allocated to each micro-project. Vocal dissatisfaction was also expressed by the four IBs on the poor management of the pilots by the Commission; particularly critical were comments on the general lack of feedback received and delay in disseminating evaluation reports. Some of the IBs staff interviewed claimed that a number of *Länder* felt obligated to set up the pilots, and in general showed little political will to implement the projects and to provide the organisations participating with space for partnership in the policy design of new projects.

According to the 1999 EAPN report, non-governmental or concerned organisations have few opportunities to influence the design of the Structural Funds in Germany. ‘Issues of poverty, exclusion and gender are generally not publicly discussed in the planning process, which is mainly confined to federal and state ministries and their *agencies*, with some consultation with employers and trade unions’ (EAPN, 1999: 23, emphasis added). While the term ‘agencies’ used in the text is rather vague, it is important for this discussion to understand what it refers to more specifically. For instance, given their very close connection with State departments and actors, Free Welfare Associations (FWA) may be considered as being among the ‘agencies’ of the state. At the federal level, the Ministry for Family Affairs, Senior Citizens, Women and Youth appointed ‘Regiestelle LOS’ (the Local Social Capital coordinating office) to be responsible for the coordination and monitoring of the implementation of Global Grants; LOS is in turn comprised of two different institutions: the Foundation Sozialpädagogisches Institut ‘Walter May’ (SPI thereafter) and the ‘Gesellschaft für soziale Unternehmensberatung’. FWAs are involved here through a strong connection with the work of SPI which was founded in 1981 by the ‘Arbeiterwohlfahrt Berlin’ (Regional Federation Berlin of the Workers’ Welfare Association) with the aim of ‘promoting of the purposes of the head federations of non-governmental welfare associations’²⁴ that are to this day are either members or partners of the SPI. Therefore, it is possible to state that FWAs are partners in the ESF committees and also more specifically in other structures overseeing the relevant implementation apparatus of Global Grants. Moreover, some of the IBs and the beneficiary organisations receiving Global Grants are FWA members.

²⁴ http://www.stiftung-spi.de/en/stiftung/st_info.html

The fact that the FWAs in Germany are inside the ESF process suggests that the European financial dimension of policy here tends to reproduce and reflect what happens with regard to more purely domestic policies in relation to social welfare in general, the specific issue of social exclusion/employment for vulnerable groups and even the NAP process (see Appel et al, 2005).

Italy

The 1999 EAPN report notes that in Italy there are serious problems with the information available on Structural Funds, which is generally difficult to identify and locate, and also often contradictory, imprecise and technocratic. 'People making enquiries can be sent around chasing from one office to another [and] no efforts are made to encourage smaller non-governmental organisations and several hurdles stand in their way' (EAPN, 1999: 16).

The three pilot projects conducted in Italy seem to have been adversely impacted by this general situation; they kept such a low profile that even major third sector umbrella bodies either ignored their existence or were not able to trace evidence of the results of the projects. This is the primary reason why third sector actors involved in ESF in Italy believe that the experience of, and lessons learned from, the LSC pilots did not have a significant impact on the design of mainstreamed Global Grants. Another motivation adduced for this is that third sector organisations, like the ones that participated in the projects, do not have the capacity to administer community funds and manage other organisations. Some see this as the result of a diffuse cultural deficit among third sector organisations in Italy that are having difficulties in becoming 'emancipated' enough to assume a substantial role in policy design (Ranci et al, 2005).

Interesting details of one of the pilots are available in the 2003 EAPN report on local social capital. What emerges from the data provided is that even though the activities coordinated by the IB in question, that 'took place in very small towns, leading through the self-promotion of the programme by word of mouth' (EAPN report, 2003: 21), rested unseen at the regional and national level due to lack of resources to disseminate it, they had a significant impact on their circumscribed area of operation. In the final evaluation the IB expressed satisfaction for what was defined as a positive experience: 'for the use of intermediary bodies brings the programme close to the realities it is attempting to deal with' (ibid: 22), and an opportunity to establish a dialogue between public and private bodies has opened up. However, as previously mentioned, no efforts were made by the Commission to facilitate the transfer of lessons learned and best practices into the design of Global

Grants. In the mainstreamed phase, a committee was established in May 2001 to oversee the planning of the Global Grants for the 2000-2006 period. This was comprised of representatives from the Commission, the national government and the region, and the Forum for the third sector²⁵. The committee was supposed to closely follow the development of Global Grants, but has not met since 2001.

Spain

In Spain, according to the 1999 EAPN report, there is no institution explicitly in charge of providing information on the European Structural Funds, therefore the bodies that do not have specialised level of knowledge of the area have difficulties in accessing them. As a general rule, the planning process of the management of funds does not include those for whom the funds are designed. 'Planning is basically left to the technicians' (EAPN report, 1999: 22) and there is no room for public debate.

Spain is the country in which the largest quantity of LSCPPs took place (seven projects). The final evaluations carried out by the IBs were generally very positive about the results obtained by the programme. Here IBs also set up a network that lasted for the three years of the pilot phase and was aimed at exchanging experiences and best practices, discussing issues of common interest in the management of the pilots, making the results and efforts of the pilots visible, and thinking of ways of designing other projects, in light of the mainstreaming phase. The network was the result of the policy entrepreneurship of one individual, also a member of the IB in the Valencia region, a member of the Steering Committee, and also very well known for his proactive involvement in the Spanish third sector. In a recent interview he expressed his disappointment over the lack of support that the pilots received from the national ESF division (UFASE):

Article 6 is seen as the way of escape used by Brussels to make things directly, without the national level, then they [UFASE] don't like it. There has been a lot of controversy due to this stuff, because the Commission uses this to do what they want (TSEP interview).

²⁵ The person from the Forum who was initially sitting on the Committee did not specifically represent the Forum. Rather, he had been designated due to his involvement in the Global Grants as a director of the Consortium for the development of social enterprises. It is unclear therefore if there was a will in the first place to engage the third sector through one of its representatives.

Nevertheless, compared to equivalent governmental bodies in other member states involved in LSCPPs, the UAFSE did make the effort to disseminate the results of the programme at the national level, by supporting the publication of the final evaluation report of the seven pilots and organising a final dissemination seminar.

However, according to the IBs in charge, the opportunity for policy learning offered was missed; they maintain that numerous lessons learned could have been transferred to the mainstreamed programmes, especially given the fact that the network established facilitated the individuation of practices to be avoided and others to be enacted. It seems that both national and regional public administration bodies did not share such enthusiasm and were more critical about the final results achieved. Furthermore, the time overlap between the pilots and the mainstreamed projects made it impossible to create a system of input into the design of Global Grants, and again a general sense of dissatisfaction resulted from the perception that the Commission made very few efforts to overcome such difficulties.

United Kingdom

As the 1999 EAPN report states, there is an extensive flow of information on the Structural Funds in Great Britain. The main providers of information are central government bodies and government agencies in the regions. In addition to this, more than 23 NGOs in the UK provide European fund information as part of the Third Sector European Network (TSEN). A number of websites have been established, and there is an extensive process of consultation on the ESF. However, despite the high level of non-governmental involvement in the Structural Funds, there are numerous problems for the organisations, mainly related to the complicated administration required for the funds' recipients (EAPN report, 1999).

Three LSCPPs were conducted in the UK, two of which are considered significantly successful and informed the policy design of Global Grants. In particular, the Scottish pilot was set up precisely with the aim of testing methodologies to be applied in the mainstreamed phase (see Box 5) and according to the LRDP report, the Manchester pilot also played a major role in influencing the development of Global Grants (LRDP, 2003). On the other hand, in Plymouth the IB went through severe difficulties due to internal administrative problems and difficulty in obtaining feedback from the Commission.

As opposed to the case of Italy where LSCPPs remained ignored at the national level, in the UK the pilots have been well advertised, and the public dissemination of the final evaluations on the internet made it possible for interested bodies to access directly the results of the experience. At the same time, this process has not been favoured by the Commission, which made little efforts to facilitate the third sector organisations involved in the pilots to play a role in the design of Global Grants.

Box 6: The Local Social Capital Pilot in Scotland

In Scotland the pilot 'Building Better Futures with Local Social Capital' was administered by the Scottish Council for Voluntary Organisations (the national umbrella organisation for voluntary and social economy organisations in Scotland, SCVO thereafter) that acted as IB.

SCVO based the pilot on its understanding of 'local social capital', as 'increasing the capacity of organisations to operate more effectively in their local community and to access other funds. [...] For this reason, the pilot project engaged with partners and other organisations at all levels and developed information and exchange networks' (SCVO, 2001: 7, 25).

In the course of the piloting phase, SCVO convened periodic meetings of sector organisations and IBs with an interest in European Funding, and reinforced already well established working relationships with the Programme Management Executive²⁶, Communities Scotland and Scottish Enterprise; this was seen as a key factor in the transition from the LSC pilot to mainstreamed Global Grants.

At the end of the piloting phase, SCVO submitted a plan for operating mainstream Global Grants in Scotland, where it could take advantage of the lessons and principles learned in the 1998-2001 phase. The Scottish Executive approved the mainstream programme in February 2002, and the new scheme was officially launched in March 2002 and lasted until 2004 when the management of the last tranche of Global Grants (2004-2006) was redirected to another Scottish umbrella NGO.

SCVO is not represented on the Scottish ESF Monitoring committee. The traditional and strategic choice of senior management of SCVO has been to utilise other networks and links to the Scottish Executive in order to exert influence over policy and delivery of services, also in considerations of what are thought to be the secretive and not very transparent deliberations of the Monitoring committee. The latter had limited involvement in the transition to the mainstream programme as this was negotiated directly with the PME through a Business Plan, a process that made it more difficult for SCVO to inform the new programme design. However, as our informant told us, the less than cordial relationship between SCVO and the monitoring committee might have impacted on the decision not to extend SCVO's contract to continue to deliver Global Grants after 2004. In fact, the latest portion of the Global Grants budget (04-06) has been matched into the Futurebuilders Programme in Scotland, managed by Communities Scotland, although SCVO still provides some support to potential and successful applicants and ESF orientated back up²⁷.

²⁶ In Scotland, European funding programmes are managed by separate Programme Management Executives based in the relevant programme area. The Scottish Objective 3 Programme Management Executive (PME) has been in operation since May 1998 and is responsible for the day to day management and delivery of the Objective 3 Programme in Scotland (http://www.objective3.org/Web/Site/home/obj3_home.asp).

²⁷ Some of the information reported here derives from email exchange with a SCVO official.

Another aspect that deserves to be mentioned is that aside from small NGOs that receive Global Grants from IBs and other ESF funds, the third sector plays an important role in the various local, regional and national monitoring committees responsible for the implementation and management of the funds. In these fora, the sector is generally represented by horizontal bodies. Of particular relevance is the previously mentioned TSEN which coordinates representation and policy for the sector on the use of ESF and their practical arrangement. TSEN has been very much involved in the mid-term review of ESF Objective 3 and has been vociferous in expressing dissatisfaction over the final document of the mid term evaluation, especially in relation to the limited consultation with the sector that was allowed on relevant matters. At the same time, research conducted on the TSEN's involvement in EU-funds related issues brought to light a significant degree of fragmentation among third sector groups and ESF managing bodies, many of which do not necessarily subscribe to the TSEN line of action, and do not want to be represented by it. Moreover, IBs and organisations active in the implementation and programming of Global Grants are not always aware of the efforts made by TSEN²⁸, thus highlighting a gap between this group which has a stronger advocacy agenda and policy implementers.

In light of these considerations it is interesting to observe the significant difference existing between the English and Scottish scenario. In the former case the merging of horizontal third sector actors around the concept of social exclusion and poverty, coupled with the balkanisation of third sector communities in England (NCVO, the National Council for Voluntary Organisations, for instance is well distanced from the national EAPN and TSEN and the social exclusion community), weakened the representativity of the sector on ESF-related matters where TSEN (as opposed to the SCVO equivalent, NCVO) was left with a rather symbolic role. In the Scottish case, SCVO assumed a very active function as implementer of the pilots and of the Global Grants²⁹. In this instance, the organisational culture of cross-cutting cooperation was crucial in setting up an effective and successful piloting phase, and in favouring the transfer of the numerous best practices collected into the mainstreamed programmes. Lastly, the very efficient and well-rooted Scottish infrastructure for the management of European funds positively contributed to the favourable systemic policy environment of dedicated entrepreneurship, horizontality and strong localism in Scotland, which was reproduced in this policy process. These characteristics were clearly missing in the English case, as exemplified by the Plymouth pilot programme which had severe difficulties in being sustained over

²⁸ For instance, TSEN was successful in establishing connections between the NAPs inclusion and employment agenda and Global Grants. In the final mid term evaluation, Global Grants are mentioned as relevant tools to combat both social inclusion and unemployment, thus being determinant in contributing to the UK NAPs.

²⁹ Until internal political complications got in the way.

the three years of the project due to intense fragmentations within the IB and lack of a national infrastructure of assistance and support from the Commission.

France

The 1999 EAPN report states that in France there is no easy way to obtain information on Structural Funds. Brochures are published by the regional councils but their availability, quality and even knowledge of their existence is highly variable. NGOs are not involved in the distribution of information about the Structural Funds and are generally not seen as relevant to the process, nor are they contacted by those who manage the Structural Funds. 'Issues of poverty and social exclusion were not taken into account during the planning process for the 1994-1999 round and non-governmental organisations were not consulted' (EAPN report, 1999: 23), whereas for the 2000-2006 round, employers, trade unions, the Chambers of Commerce, Industry and Agriculture were called to participate in the planning process (*ibid*).

Three pilots were carried out in France but only one of them was evaluated. This contributed to the generally low profile kept by the pilots. The lack of assessment at the European and national level continues to be problematic. Even the main members of EAPN France³⁰ were hardly aware of the pilot programme, thus replicating a similar situation in Italy where there has been little or no cooperation or coordination between IBs and major third sector networks. In France, this is partially explained by the fact that IBs' activities focus on individual support for the creation of micro-enterprises by the socially disadvantaged, rather than on associative projects. In other words, IBs allocated micro-funds predominantly to projects aimed at strengthening social cohesion, whereas very few were those seeking to strengthen local networks and formal and informal groups working for the integration of the socially excluded into the job market. This is revealing of the gap that exists between networks that focus on the entrepreneurial and economic aspects of the social economy and the associative networks that supply social services (Fraisie, 2005).

The design of the mainstreaming phase shows consideration of the experience of the piloting phase. The French government implemented an inter-administration working group to study the possibilities of activating Article 4(2) measures. This was an initiative of the DGEFP (Employment and Professional Training Department) with the participation of the Interministerial Delegation for Social

³⁰ These include: UNIOPSS, ADT Third World, Coorace and Solidarites Nouvelles Contre le Chomage.

Economy (DIES), and some third sector umbrella bodies³¹. According to the head of the DGEFP (Employment and Professional Training Department, which was also heavily involved in the GG phase), this working group was motivated by the will to capitalise on the LSC pilots. In fact, the substantial changes in the new programmes should be seen as the result of efforts to learn from the experience of the pilots, including the creation of a specific monitoring committee for GG programmes, and of another committee of local employment services and third sector local networks aimed at selecting micro-projects. The former is aimed at monitoring the implementation of Global Grants after IBs have been selected. Until now the DGEFP together with the private organisation ‘Racine’ and IBs have organised two to three meetings of this committee each year where best practices and management tools are discussed. This type of monitoring process is new compared to LSC pilots. The latter committee, whose aim is to select micro-projects, is also considered to be a considerable governance innovation in that third sector organisations, and *not* public administrations, are responsible for the allocation of public European funds.

In sum, in the official discourse, Global Grants are presented as innovative because they enable third sector bodies to demonstrate that they can act as credible project managers (as much as the regional Chambers of Commerce and Industry), they value the content of an associative project, and initiate a new form of local dialogue and partnership with local governments. However, third sector IBs maintain in France an ambivalent position, and this clearly appears at the level of praxis at local level where too often IBs face institutional as well as administrative obstacles.

Some explanatory factors

As explained earlier the purpose of this paper is not to evaluate the success or otherwise of ESF programmes *per se*, rather it is to explore the behaviour of third sector communities in different national contexts vis-à-vis this specific European policy case. The national situations briefly presented here suggest that the policy process, as delineated in European documents, differed significantly from its actual implementation. In this section we outline some of the attributes that define this case, and based on these and previous analyses we present some considerations on the factors that contributed to the making of this policy process.

³¹ Including the CPCA (Permanent Conference of Associative Co-Ordinations), the CNIAE (National Committee for Inclusion through Economic Activity) and UNIOPSS (The National Interfederal Union of Private Health and Social Works and Organisations).

The multiple stages of a complex policy process

As the language used in the original documents of the LSC pilot showed, this innovative policy process had been designed to play on the advantage of the third sector with its crucial involvement in implementation and in the transfer of best practices in the mainstreamed phase. However, it has proved hard and demanding for the third sector to fulfil all the various expectations in such a multiplicity of policy stages. The complexity of the system and the often unforeseen difficulties encountered ‘on the ground’ have in many instances asphyxiated and overwhelmed the IBs.

In addition to this, the mechanisms of the policy process did not always function smoothly. For instance, as many practitioners in different countries pointed out, one of the major impediments to the transfer of good practices into the mainstreaming phase was that LSCPPs were still being implemented when the Global Grants programmes started. Delays were also considerable in the *ex-post* evaluations conducted by IBs (those who wrote them) and even more critically in the publication of the LRDP ones. These were made available when Global Grants were already running, thus further compromising the opportunity to improve the pilots while they run and provide inputs to the mainstreamed phase, as well summarised by a civil servant at the Commission:

the IBs grew to have a very negative attitude towards evaluation, not because they didn’t like or didn’t know about this subject, but because the requirements or demands for them changed all the time. [...] Hundreds of micro projects to be run by each IB, and they were not too happy that all the administrative reporting demands from the side of the European Commission. [...] They were overworked I think and either not really experienced at evaluations or just resenting the administrative burden. Because nobody told them at the beginning that there would be such an evaluation.

The ambiguity of the notion of social capital

The EU definition of social capital used for Article 6 programmes is the one coined by Putnam:

Social capital refers to features of social organisation such as networks, norms and social trust that facilitate co-ordination and co-operation for mutual benefits (Putnam, 1995).

Moreover, as suggested by the LRDP final report (2003), the Commission also refers to the World Bank's definition of the concept that highlights how social capital 'is not just the sum of the institutions which underpin a society - it is the glue that holds them together' (quoted in LRDP report, 2003: 4). The modus operandi that is implicit in the notion of social capital - co-ordination and co-operation between actors working in similar situations - is emphasised and encouraged in Article 6 regulations that highlight its capacity to bring significant added value to projects, and increase the potential to mainstream innovative ideas into the European Social Fund (Europa website³²).

However, the notion still remains very vague due to its coupling with both economic and social aspects. Thus, while it fits well in the surface of the rhetoric of official documents, it may cause problems in the phases of implementation when the precise scope of certain activities needs to be identified. This uncertainty adversely affected a number of pilot projects. In the case of Plymouth for instance, it was only months after the project had decided to emphasise improvements in local quality of life as it 'felt it was closer to the distinctive meaning of social capital' (Plymouth pilot final report: 2), that the IB was refused a second tranche of money, because the EU was moving the goalposts and was no longer interested in the 'quality of local life' approach. The interest turned exclusively to projects that could demonstrate a link to the labour market: 'They told us that some of the projects we had funded were ineligible, for instance projects for older people who were not in employment age' (TSEP interview). Even after the IB went to Brussels to argue its case it got unclear feedback from the European Commission. The LRDP evaluation dedicates one paragraph to 'non typical ESF groups supported', namely children and pensioners:

[T]he inclusion of such groups might be justified as this type of projects cover more broadly the local community and is principally focused on social development outcomes [...]. The Pilot showed it is justified to target also not typical ESF groups [...] as a basis for building social capital or having an impact on the community [...] (37).

No mention is made of the difficulty encountered by the pilots, such as the one in Plymouth, which did support these types of 'non-conventional' projects and for this reason did not receive funds. However, in the mainstreamed phase of Global Grants, it is specifically mentioned that the funds have to support employment-oriented projects. Although not stated in any documentation, the

³² http://europa.eu.int/comm/employment_social/esf2000/documents/report_94_99_en.pdf

experience drawn by EU officials from the difficulties encountered with such pilot projects might have been pivotal in defining the restrictions (employment-oriented) of the Global Grants

As stated in the SCVO LSC pilot evaluation, the ambiguity over the notion of social capital and the coexistence of differing interpretations should not necessarily be seen as negative, 'but it does make it more difficult to identify good practice, learn lessons and make useful comparisons', thus halting the transfer of good practices from the pilot to the mainstream phase (SCVO, 2001: 14).

The role of the agent of transfer (the Commission): failed leadership?

The capacity of 'enabling authorities' to supply effective leadership and strategic direction (Wallis and Dollery, 2002) is crucial for the success of a project like the one analysed here. One of the major aspects emerging from the country analyses is the very little feedback offered by the Commission, and its limited efforts in facilitating the participation of the third sector in the policy process. This was detrimental to a number of LSCPPs, especially those managed by smaller IBs that suffered as a result of the little guidance received. Heinelt (2003) claims that these types of situations are often the result of a high degree of fragmentation between implementation and policy reform networks, due to lack of contact between EU top-level actors and those involved in the implementation, and a general lack of integration in the EU organisational features responsible for European funds. These lacunae 'shape formal and informal interactions and influence communications and, thus, the transfer of exercises, experience and knowledge' (Kohler-Koch, 2003: 5).

As previously observed some of the reasons for what is seen by many as the failed entrepreneurship of the Commission can be found in internal problems, such as frequent staff turnover, lack of continuity, etc which led to a fragmented if not unsatisfactory - from the point of view of many IBs - management. Conversely, from the Commission's point of view it proved very difficult to administer the pilots and facilitate their mainstreaming when dealing with many organisations which had very limited experience of European funds and needed an ad-hoc type of management. Moreover, as a civil servant who had been a key actor in the direction of the pilots told us, much of the difficulty in facilitating the transfer of policy practices was attributable to the lack of efforts made in this sense by national-level ESF departments. Clearly this assertion shows a major lacuna: the lack of well-defined roles and expectations of each of the actors who took part, or where supposed to take part, in the policy process.

6. Conclusion

Despite uniform rules, we observed significant variations in the way the third sector engaged in LSCPPs and mainstreamed programmes. In many of the cases, the third sector's role remained confined to that of policy implementation with little space for involvement or consultation in the policy making phase of the Global Grants. However, in the UK, Spain and France where there appear to have been more successful cases, findings seem to suggest that the process stimulated the development and the strengthening of third sector policy communities based on shared responsibilities, as demonstrated for instance by the new presence of third sector bodies in monitoring committees in the mainstreamed phase.

Also to be pointed out is that even in those cases where the pilots had very little national impact, and were not able to contribute to the Global Grants phase, micro-projects have been generally viewed as a success at the local level. This highlights the need to differentiate the problematic aspects of the policy process: while the local aspect of the projects - characterised by intra-sectorial relationships - is considered to be successful, the failure that is often pointed out has to be located in the often uneasy relationships between different tiers of governance: IBs and the Commission, the Commission and the member State, and the IBs and the national government.

The country specific descriptions reveal the different degrees of sensitivity of the five governments to 'external' influences: the direct downloading of a policy process from the Commission into the local domestic contexts, which resulted in opposition or support, to various degrees, to the programmes and particularly to the suggested policy processes that were based on notions of partnership and governance of public policy. Particularly in France, Germany and Spain, this was perceived as a process that hollows out the traditional functions of the nation state (Jessop, 1994), hence the State still managed to exert, with various degrees of (in)flexibility, its gatekeeping power.

The analysis of attempts to include the third sector in policy development, as presupposed by the principle of partnership, requires also taking into account the governance characteristics of the sector itself in each domestic context, thus including 'networks, interdependence of actors, exchange of resources and quasi-autonomy from the state' (Armstrong et al, 2002: 16). Determinant here is the history of involvement of the third sector - not just as implementer, but as actively involved in consultation over the design of delivery - in EU, but also domestic - funds. For instance it was observed that in Italy a 'cultural deficit', a lack of resources and infrastructure among third sector

organisations are fundamental in determining their (in)capacity to raise their profile beyond the very local level of action, and to claim a more active space of participation in policy design. On the other hand, the ‘planning is left to technicians’ - a type of model in Spain was challenged by the pro-activity of one individual who managed to create a micro cross-sector policy network, which very much corresponded to the social capital initiatives under the auspices of Article 6 measures. In the UK, the case of SCVO is particularly relevant because it reveals how the propensity to think and act horizontally of the IB fit well in the European suggested model of operation, thus resulting, despite external impediments that for others were detrimental (particularly the lack of support from the Commission), in the establishment of a successful project, in which the drawing of lessons and policy transfer led to the design by the IB itself of the mainstreamed programmes.

Finally, in the Scottish case in particular, which is generally quoted as one of, if not *the* most successful programme, the existence of a third sector-specific horizontal policy community was highly conducive to the completion of the policy process as it had been initially conceived: one in which the experience of implementation feeds back into the design stage, and the practitioners on the ground are the principal agents of this transfer³³. On the other hand, in Spain the existence of horizontal networks was critical, but not enough to empower the sector with sufficient institutional capacity to carry on new initiatives over the longer term.

³³ However, when political controversies arise, also in Scotland the SCVO was penalised, despite its crucial role in the programmes.

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Appendix 1: Working Glossary

Version of 23 June 2005

Case refers to the TSEP unit of analysis in relation to public policy as a multi-level process: there are ‘closed cases’, being particular policy events/programmes chosen to capture a range of policy modes and stages in the policy process of relevance to the third sector in Europe; or ‘open cases’, which are more thematic and diffuse in character. The former include the European Statute of Association; Global grants for social capital; the Convention/Constitution; National Actions Plans for social exclusion and employment; and the United Nations Year of Volunteering; the latter include Services of General Interest; and the European Structural Funds and the third sector at the sub-national level.

Coalition refers to alliances of policy actors, who can be individuals or organisations, who come together to pursue shared values, concretely expressed in policy change or policy perpetuation goals. Understanding the functioning and roles of such coalitions in national, EU or multi-level contexts requires accounting for the nature of their values and goals; the economic, political and cultural resources they are able to mobilise, and the political opportunity structure within which they operate. In the TSEP network, research effort has been directed at describing and analysing coalitions formed and perpetuated by full or part time *specialist third sector-specific policy actors*.

Collective noun refers to the language used by domestic or EU level actors to group organisations sectorally at a level higher than *vertical policy fields*, and involving some implicit or explicit reference to ownership and control not reducible to either the market or the state. In some countries the collective noun and associated expressions involves a relatively stable or dominant language supported by formal or informal institutions and practices, while in others there is a more open field, with competing concepts and formulations, often fluidly co-existing and interacting with one another. Examples in Europe at the EU and national levels of expressions sometimes used in this way (and sometimes also used in other ways) include associations, [social] [action] NGOs, non-profit sector, nonprofits, organised civil society, popular movements, social economy, social enterprise, solidarity economy, third system, voluntary [and community] sector.

Community method has been described by the Commission as ‘a procedure leading to decisions or Act, involving balanced participation [at the EU institutional level] between Council, the European Parliament and the Commission’. It was the ‘classical’ or ‘traditional’ method of processing EU policy in the second half of the twentieth century, but in the twenty-first is increasingly supplemented or displaced by the *Open Method of Co-ordination* which rebalances control away from the EU institutional level, towards Member State level actors.

Cross-cutting is used as shorthand for third sector relevant cross-cutting, and refers to concepts/beliefs or policies/practices/actions which are not confined to within *vertical policy fields*, but which are (a) either held to be relevant or applied discretely but according to common principles within two or more vertical policy fields, especially in the social welfare domain; or (b) which are held to be relevant/applied as a matter of ‘generic’ policy. Policy development in relation to these processes typically involves *specialist third sector-specific policy actors* within and outside the State, forming relatively loosely coupled ‘policy networks’ and/or a more formally institutionalised and recognised ‘policy community’ nominally involving a core of shared values and beliefs expressed in political rhetoric and/or the technical codified discourse associated with specialist policy instruments. The result can be the creation and perpetuation of a policy space jointly recognised by these experts as constituting the subject matter of third sector policy (using some collective noun) which is not reducible to the policy contents of a particular vertical field.

Domain Used to specify the level of policy between vertical policy field and the macro system of policy and politics. In relation to the third sector, the domain which TSEP has demonstrated is of most (but not universal) relevance is the *social welfare domain*.

European problem set refers to the cluster of high salience European policy issues or problems with which the third sector has most consistently been linked by policy actors at European, national and sub-national levels. Included here are *governance*; *social exclusion*; and unemployment. Third sector organisations may be seen as ‘partners’ whose contributions can and should be mobilised as part of the process of problem management, or problem solving.

Governance has multiple and contested meanings; but at its broadest, it can be used to refer to institutionally ordered arrangements for shaping the processing of policy at the key stages of agenda setting, decision making, implementation and evaluation. It tends to be linked to steering or strategic - as opposed to tactical - processes; patterned as opposed to unstructured relationships and interactions; and to be associated with such values as accountability, transparency, and effectiveness. The ways in which the third sector is linked to governance varies significantly across contexts, but often considered in scope are issues both in relation to internal governance - the design and application of appropriate legal structures and micro-constitutional models in the light of third sector specificities such as voluntarism and non-profit-distribution; and issues in relation to external governance, including how the third sector can and should fit as an actor at each of the policy stages, wherein it is one policy actor amongst many.

Horizontal policy is synonymous with *cross cutting* policy. Note that there are ‘pure’ cases of horizontality, whereby policies or concepts are related to the entire third sector as defined in the relevant collective nouns. But we *also* include as ‘horizontal’ narrower-in-scope concepts or policies which cut across some but not all *vertical fields*. In particular, overarching social welfare regime policies and practices, social inclusion policies and community development policies can be considered in scope, even if not extending outside the *social welfare domain*, to the extent that they necessarily suggest, involve or imply, participation by the third sector and its stakeholders.¹

Industry-specific policies that are relevant to a particular *vertical field* only.

Mainstreaming is shorthand for *public policy* mainstreaming and refers to a situation in which the mainstreamed policy issue or problem (here, the third sector) is not only supported by technical institutions, but has high political and social visibility, and is seen by systemically powerful actors as of high generic public policy salience.

Multi-level process refers to how the European, national and subnational levels of public policy are inter-related. The extent to which this constitutes third sector policies is examined in the TSEP network by policy *cases*. Note that this is not synonymous with multi-level *governance* - which is typically used as a framing concept to claim that substantive power is situated at more than one level. The extent to which multi-level processes involve a reconfiguration towards multi level governance is treated as an open question for research.

Open Method of Coordination is based on mutual agreement of policy objectives by Member States; the development of common guidelines, indicators, and targets; benchmarking of performance and exchange of good practices, formulation of national action plans; and peer review and joint monitoring of implementation in an iterative multi-year cycle. It increasingly supplements and even displaces the *Community Method*.

¹ Note that other writers use this term differently, often including *intra-vertical* policy field *multi-sector* initiatives as horizontal, while we do not consider *per se* as the core subject matter of our network. However, indirectly such policies may lead indirectly to our notion of horizontality, through spillover effects or *ex post* political construction of policy, as noted elsewhere.

Path dependency Refers to how historical policy decisions create a ‘policy legacy’, which can have long term consequences for the possibilities of current and future policies

Policy is used in TSEP as shorthand for *public policy*.

Policy entrepreneurship refers to actions taken either to deliberately change, or to deliberately protect, public policies - here, third sector specific policies. Such efforts typically involve the formation of *coalitions* between individuals or organisations, or both and are heavily constrained by national political opportunity structures. In the TSEP network, research effort has been directed at describing and analysing the entrepreneurship of full or part time *specialist third sector-specific policy actors*. Most horizontal third sector policy entrepreneurship takes place at the national level or below, but there are some individuals and organisations that specialise at the EU level, and some who operate on multiple levels.

Policy field is shorthand for *vertical policy field*.

Policy mode is a helpful way of recognising and analysing the different types of broad policy approaches that jointly constitute the highly complex EU public policy process. Examples of distinctive modes are the *community method* (relevant to the third sector in the European Statute of Association case) and the *open method of co-ordination* (relevant to the third sector in the case of National Action Plans for *social exclusion* and employment).

Policy learning refers to the impetus for policy change which occurs when actors adopt strategies, or various forms of policy belief, in the light of experience; or policy changes due to new information and analysis, generated by *policy entrepreneurs*, perhaps operating as part of *coalitions*.

Public policy comprises two elements. Unless otherwise qualified, ‘policy’ refers to intended courses of action which are explicitly and proactively articulated by actors with significant levels of political authority, and reflected in patterned policy discourse, events and institutions. If past policy decisions continue to be relevant because (due to *path dependency*) they shape current administration practices, resource allocation and the distribution of power, but they are *not* actively sustained and pushed as a categorical, proactive policy, they can be described as ‘latent’, that is implicit, policy. ‘Public’ refers to institutions and events involving ‘that dimension of human activity which is regarded as requiring governmental or social regulation or intervention, or at least common action’ (Parsons, 1995).

Social exclusion has been defined by the European commission as ‘referring to the multiple and changing factors resulting in people being excluded from the normal exchanges, practices and rights of modern society. Poverty is one of the most obvious factors, but social exclusion also refers to housing, education, health and access to services’.

Social welfare domain This corresponds to the ‘welfare state regime’ policy space. It is a ‘meso level’ concept nested within, and developmentally bound up with, the prevailing generic national political and public policy system, while being broader than a single *vertical field*. Within it are the family of ‘human services’ or ‘social [welfare] services’ whose vertical components include ICNPO groups 4 (‘personal’ social services, or social care, and income maintenance), group 6 (development and housing, including employment & training), part of group 7 (advocacy, to the extent it is geared towards social welfare; and excluding political parties); group 3 (health) and group 2 (education and research). Many of these services are (jointly) implicated in tackling *social exclusion*. Note that this formulation is not limited to ‘service provision’ in the sense of ownership and management of establishments (as with provision of care homes, social housing) but inclusive also of social welfare oriented activities in addition to/separate from direct services, including social welfare oriented self-help and community based activities, advocacy

(campaigning on social policy issues, and individual clients' rights etc), involvement in social welfare and social policy design, monitoring etc.

Specialist third sector-specific policy actors are the carriers of purposive *third sector specific policy* who claim to hold relevant expertise and knowledge. They may be full time specialist individuals or organisations, but such actors are often part time, fulfilling this role separately and/or in conjunction with other contributions to the policy system (particularly in the social welfare domain). They operate within and outside the State, forming relatively loosely coupled 'policy networks' and/or a more formally institutionalised and recognised 'policy community', or 'policy communities'. At a minimum they share a language involving third sector collective nouns (otherwise they cannot be specialists); they may nominally claim to share a core of values and beliefs in relation to the third sector, expressed in political rhetoric and/or the technical codified discourse associated with the relevant specialist policy instruments. The result can be the creation and perpetuation of a policy space jointly recognised by these experts as constituting the subject matter of third sector policy (using some collective noun) which is not reducible to the policy contents of any particular vertical field².

Spill over effects Policy effects and actions designed to apply in one domain or field which have consequences once adopted - and thus implicitly or explicitly, shape policies in other domains or fields.

Third sector at the highest level of generality refers to organisations situated between the market and the state in terms of ownership and control. TSEP needed more specificity to initiate research into this construct as an object of policy: It was therefore provisionally taken to include those organisations which are self-governing and constitutionally independent of the state; do not involve the distribution of profits to shareholders; and benefit to a significant degree from voluntarism. This was an initial orienting working definition of the third sector - but in application, this has had to be sensitive to national conditions, since our unit of analysis has been the actual existing horizontal policy community or communities with its associated constructs. In other words, the specific 'indigenous' conceptualisation (or conceptualisations) deployed in practice was a question to be determined empirically, not *a priori* imposed. By referring to more than one collective noun, and the relative salience of each from the perspective of policy network or community members, we are also able to reflect differences within countries, where boundary disputes and the contest between competing definitions is itself part of the policy process (since notions putting the accent on 'civil society', 'voluntarism', and 'social economy' for example, typically co-exist).

Third sector [specific] policy is usually used either as shorthand for *horizontal* third sector policy; or to refer to the sum of horizontal cross cutting policies, policies which are partly horizontal and partly vertical. As used in this network, it is by definition concerned *only* with public policy that is horizontal to at least a certain extent. It thus can contain both 'deliberate' policy designed or constructed for the third sector, and policies which are more accidental, *ex post* constructed as third sector policies, and therefore seen as relevant by actors who style themselves as third sector stakeholders. Third sector specific policies are sustained by policy networks and/or policy communities, where the latter are characterised by specialisation, involving claims-making in relation to expertise. In these specialist networks and/or communities, the third sector is often - but not always - coupled to problems and issues associated with the social welfare domain,

² Policies may not be cross cutting *initially* if developed independently within vertical policy fields; but *become* cross cutting if *ex post* 'joined up' by significant policy actors coordinating across or (if powerful) able to authoritatively transcend vertical policy fields. These policies can then be viewed after, and only after, the formative, politically constructive event of 'joining up' by policy actors as jointly constituting a shared 'horizontal' policy; otherwise they are considered not to exist as 'horizontal', or only 'latent'.

particularly social exclusion and unemployment. The agendas of these policy networks or communities tend to include reference to the third sector's policy environment in terms of legal structures and wider governance arrangements; institutional processes for mediating third sector-public sector/State relations; arrangements for involvement across policy stages and policy modes; and the promotion of voluntarism, including volunteering.

Third sector stakeholders include actors who consciously have a significant role in third sector policy. It includes third sector organisations themselves, but also other actors including politicians, public officials, academics, the media, trade unions and (for-profit) business.

Vertical policy field Policies that are developed and apply essentially *within* a particular field or domain: here, horizontal institutions may differentiate between organisations but in the background or incidentally, rather than as the focal point of policy activity. To define 'field' boundaries, we follow the standard industrial classification adapted to account for the specificities of the third sector, as represented in the International Classification of Nonprofit Organisations (ICNPO). Policies which relate to a particular Group or subgroup of the ICNPO are considered 'vertical'; while those which relate to two or more fields may be considered horizontal, either 'narrower' or 'broader' according to the range of fields in scope. Empirically in Europe, relevant policies are often (but not always) closely linked to the *social welfare domain*.

Further Reading

Kendall, J. (2003). *The Voluntary Sector: Comparative Perspectives in the UK*, Routledge, London.

Kubler, D. (2001). Understanding policy change with the Advocacy Coalition Framework: an application to Swiss drug policy, *Journal of European Public Policy*, 8(4), 623-641.

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Appendix 2: Data Sources

Across all closed cases, at the national level some 174 primary data points were assembled so on average there were just under 30 sources of primary evidence per case. (The number varied significantly by case, reflecting, inter alia, variation in ease of access to informants (different processes are more or less open), intensity of actual policy activity, and the resources of the policy champion (see below).) Most of these data points were bi-lateral meetings with policy actors - either third sector bodies, policy makers within the public sector, or academics and other experts. Potentially relevant sources were identified using country-level Partners' familiarity both with the general third sector policy community or networks in their country, and by 'snowballing' from actors identified in earlier meetings. Relevant events and fora were also attended and observed, as deemed relevant by Partners. The evidence gathering at this level proceeded in stages. First initial descriptive information was collated. Second, basic common lines of questioning were pursued across all cases, as put forward by the TSEP co-ordinators. The conceptual background to these lines of questioning was an understanding of the policy process as likely to involve country-specific path dependencies, competing priorities between policy actors, and contested terminology and boundaries, but also the potential for policy learning and policy entrepreneurship (see Appendix 1). National researchers were therefore asked to identify the extent to which the case reproduced or deviated from established national patterns in terms of actors and processes, and why; and to explicate and explore any evidence in relation to either catalysed policy entrepreneurship, or learning processes.

Third, responsibility for cases were devolved to a 'policy champion' or champions, who took responsibility for developing and refining the line of enquiry and questioning, in the light of initial findings; the analytic policy literature specific to the case; and acting as lead author for subsequent papers. More details of this aspect are provided in the body of this paper.

At the EU (Brussels) level, our sources (relevant for all cases other than the UN IYV) have been an evolving mixture of (transcribed) textual data, meetings and observation, with some 70 data records assembled. The work on Brussels-based policy was assisted by the openness of many institutions, which has made it possible to meet many important informants and access a wide range of written sources such as policy documents, minutes and reports. Meetings were arranged with people who have taken formal and informal positions of leadership, or have long experience in this area within the Commission and other European institutions, in activist communities and among academic and professional commentators. These were only lightly structured, but were used to elicit in-depth accounts and commentary on the 'core' specific policy initiatives, as well as more general reflections on third sector policy activity over time. The researchers have also observed and participated in relevant events where possible.

Third Sector European Policy Working Paper Series

The background and motivation for the network's research efforts is set out in the first TSEP Working Paper. After this, a first group of critically examines the third sector's policy environment at the national level; a second set explores how a small number of specially selected European policy cases are processed at both the national and EU level; in addition, the more general topics of 'services of general interest' and ESF sub-national policy implementation are an additional focus of ongoing research in some countries under TSEP auspices.

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Background to the Centre for Civil Society

The Centre for Civil Society (CCS) is a leading, international organisation for research, analysis, debate and learning about civil society. It is based within the Department of Social Policy at the London School of Economics. Established initially as the Centre for Voluntary Organisation, the Centre has for over 20 years pioneered the study of the voluntary sector in the UK, development NGOs and civil society organisations throughout the world. The CCS is distinguished by its interdisciplinary and reflective approach to understanding whether and how civil society contributes to processes of social, political and policy change and continuity. Its core staff, research associates and visiting fellows cover a range of disciplines, including social policy, anthropology, political science, development studies, law, sociology, international relations and economics.

Objectives

Through research, teaching and policy analysis, the Centre adds to knowledge about the types, roles and contributions of civil society and social economic institutions in Britain, Europe and other parts of the world.

The Centre's four major objectives are to:

- Improve understanding of civil society and social economy institutions;
- Inform policy-making at local, regional, national and international levels;
- Provide academic and professional education; and
- Create a vibrant intellectual community for the study of civil society/the social economy.

Research

Research is one of the Centre's core activities. It maintains a highly active and diversified research programme, ranging from basic theoretical approaches and empirical work to organisational and policy studies to historical analysis. Many research projects are inter-disciplinary and comparative. Examples of current and planned research projects include:

- Mapping civil society;
- The culture of giving in Britain;
- The European Union and the voluntary sector;
- Civil society and value changes in Britain;
- History of housing associations;
- Foundations in Europe;
- Studying small, local organisations; and
- NGOs and development.

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