

**PUBLIC-THIRD SECTOR PARTNERSHIPS  
A MAJOR INNOVATION  
IN ARGENTINIAN SOCIAL POLICY**

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**PUBLIC-THIRD SECTOR PARTNERSHIPS: A MAJOR INNOVATION  
IN ARGENTINIAN SOCIAL POLICY<sup>a</sup>**

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For the past twenty years social policy literature has reflected increasing concern for the management of social policies in the wake of welfare state retrenchment. Clearly, the traditional welfare state model no longer describes social reality. In Argentina, as in many other parts of the world, there is a growing tendency towards the formation of partnerships between the state and the third sector, not only for providing social welfare services but also for influencing social policy. As a result, both the state and civil society organizations have found themselves compelled to adapt traditional structures and ways of operating and to assume challenging new roles in an attempt to meet unsatisfied social needs. While the state grapples with problems stemming from these policy shifts, civil society organizations are learning to hone political skills and better manage resources in order to strengthen their impact on the policy process. Undoubtedly, welfare mix has been given high priority on the Argentinian government's political agenda, and the issue can no longer be ignored by social policy scholars or omitted from public debate.

This paper offers a critical analysis of public-third sector partnerships in social policy-making in Argentina. In the first part we look at the nature of the public policy shifts in our country. Next we focus on the emerging role of CSOs in the planning and implementation of social policy. After looking at the theoretical contributions to the literature, we go on to consider the main aspects of the new model of welfare mix, including types of partnerships, management, and the resources which support these initiatives. Moreover, we describe the legal and institutional frameworks within which partnerships are established. We then

consider some hindrances to the formation and development of partnerships and the challenges confronting these innovative ways of managing social policy. Finally, we discuss the impact of welfare mix on strengthening citizenship.

The empirical evidence which supports our analysis is based on in depth, semi-structured interviews conducted with representatives of the government and CSOs. We also take into account numerous observations from CSO leaders who participated in workshops on negotiation. Additional information was gleaned from analysis of reports, organizational records and institutional publications.

## **I. The nature of the policy shifts**

### **The historical context: the Welfare State model in Argentina**

Between 1940 and 1970 the central government was almost wholly responsible for the provision of social welfare in Argentina. The first and second presidencies of Perón (from 1945 to 1955) were characterized by the extension of a fully developed and publicly financed social security and welfare scheme to broad sectors of the population. The mainstay of this system was a social security policy which included retirement pensions, survivor's benefits and health insurance plans for trade union members. These programs were financed by withholding taxes and by employer and state contributions. At the same time however, some universal social policies such as education, public health and especially public hospitals were financed by general taxation. In both particular and universal services the state created a broad --albeit fragmented and stratified--infrastructure for social services. In addition, the central government provided a wide range of targeted social services such as social assistance to the poor. During this period, the Peronist regime induced workers to massive

trade union membership, and not surprisingly, trade union members were the main beneficiaries of public welfare.

The years between 1955 and 1976 in Argentina were marked by the alternation of civilian and military regimes, but in spite of this political instability, the social welfare scheme remained basically untouched. The dismantling of the welfare system in our country began during the last military dictatorship, which lasted from 1976 to 1983. The legacy of seven years of military rule was burgeoning foreign debt, rampant inflation, industrial stagnation, rising unemployment and budgetary deficit. In response to this situation, neoliberal rhetoric based on the opposition 'State versus Market' advocated the deregulation of the state and the privatization of public services. Neoliberal economic policies, or 'structural adjustment measures' as they are called, may have reduced inflation, but they have also increased social segmentation and exacerbated social and economic inequalities. Official figures reveal an ever-increasing income polarization in our country: in 1975 the richest 10% of the population received 8 times more income than the poorest 10%. By 1997, however, that figure had soared from 8 to 22 times (Kliksberg 1999: 21). Given this situation, the monumental task confronting the government today is how to design and implement social policy in a period of protracted economic crisis with growing poverty and inequality and increasing levels of insecurity and violence.

### **Social policy-making in Argentina in the wake of welfare state retrenchment**

In Argentina the central government is no longer able to be solely responsible for the provision of social services. As a result, three fundamental changes have been introduced in the social welfare scheme. They are the decentralization and privatization of social services, and the shift from universal to compensatory social policies.

As we have said, from the 1940s to the 1970s the national government was the

cornerstone of the welfare system in our country. Since 1980, however, many of the welfare institutions which depended on the central government have been progressively dismantled. Consequently, both provincial and municipal governments have become increasingly responsible for the provision of social services. Unfortunately, this process of decentralization is often merely a transference of duties and responsibilities from the central administration to the provincial and local governments, who lack the financial resources necessary to carry them out. So even though decentralization has brought decision-making closer to the people, both cities and provinces are often saddled with more responsibility than they are willing or able to accept. To make matters worse, local administrations are often denied administrative autonomy and are required to bring their policies into line with those of higher levels of government.

In an attempt to redress the imbalance of the national budget and better administrate financial resources for social policies, proponents of neoliberal ideology in our country began to promote the privatization of social services in the '80s. The privatization of social services is the transference of the production and delivery of social services from the state to both the forprofit sector and nonprofit organizations. This process limits the access to different types of state-based social services to low income sectors of the population, thus it redirects social protection to the most needy. From a neoliberal point of view, privatization is thought to be a better way of managing resources, since state delivery of social services is both costly and inefficient. The application of some of these principles has resulted in a shift in the provision of social services in Argentina. For example, investment companies manage pension schemes, economic groups control the health market, and private corporations administer some of the schools. Even so, universal services (such as public schools and hospitals) have not been completely eliminated, although the quality of these public services has greatly deteriorated. Neoliberal ideology, then, has attempted to substitute state delivery of social

services for private delivery of social services by dumping the responsibility for service provision on private organizations (Ullman 1998), but in fact, in Argentina today both systems coexist.

The major constraint on the welfare state in Argentina today is the impossibility of caring for a growing number of socially-excluded people. This is because traditional social-sector programs designed for a society with full employment have proved to be inadequate for meeting the increasing demands of the population in an age of massive unemployment. As a stopgap measure, international financial organizations have urged the central government to develop a new type of policies known as 'compensatory social policies' in conjunction with third sector organizations to provide social services for the most vulnerable groups, thereby mitigating the consequences of the structural adjustment measures. Compensatory social policies provide for the most basic needs of the most needy, i.e. they are targeted. Owing in part to the curtailment of public expenditure for social programs, compensatory social policies are frequently financed by foreign donors. The national government has been unable to integrate these new programs into existing social-sector ones, however, and there is some overlap between the two. Furthermore, the juxtaposition of both types of policies has probably minimized a truly global restructuring of social policy (dos Santos 1994). This is because compensatory social policies appear to be an innovative way of reinforcing the organizational capacity of the state, but in fact, the implementation of these programs has postponed the discussion about long-term transformations in social policy.

## **II. The emerging roles of CSOs in the design and implementation of social policy**

Social analysts have been searching for new patterns of social policy in an era of crisis of the

traditional actors such as the state, the labor unions and the political parties. The leading actors in the 80s were the social movements, who re-created a favorable climate for participation. Over the past ten years, however, the up-and-coming actors have been CSOs. They are becoming more visible and are participating increasingly in social policy-making.

But CSOs in Argentina are not new to social welfare. In fact, under the state-based social welfare scheme, a large assortment of CSOs was important in working with socially-excluded groups. We can look for the historical roots of these associative initiatives (Viladrich and Thompson 1996; Thompson 1997) in the earlier social action of the Catholic Church and in private charity. Despite the progressive institutionalization of social welfare, Catholic Church groups in Argentina have never ceased to participate in caring for the poor. At the end of the nineteenth century, European immigrants who settled mainly in urban areas of the pampas created new kinds of CSOs such as mutual benefit associations, social and sports clubs, and cultural associations. The mutual benefit system provided health and educational services for its members. Later, trade unions and professional associations not only participated in the design of public policy but also administered social services such as health insurance, tourism, etc. Although the influence of these types of organizations has declined, most of them continue to provide services for their members.

Today, communities throughout Argentina --but especially those in the poorest areas of our country--have organized themselves into grass-roots associations to help meet the needs of their members. The most salient feature of grass-roots associations is that they operate in clearly defined local areas. Examples of these organizations in Argentina are the sports clubs, the neighborhood associations and the parents' associations (*cooperadoras escolares*), which have been formed to support and help administrate public schools. In addition to infrastructure and equipment, these parents' associations manage social programs for poor children. In socially - excluded urban areas, a variety of locally based

community associations frequently associated with religious groups deals with problems such as food or housing.

Lately, advocacy is becoming a specific function of CSOs in Argentina. The most common causes espoused are the defense of human rights, the promotion of women's and children's rights, environmental protection and non-discrimination against people with AIDS. Moreover, it is becoming increasingly common to combine traditional social services with advocacy functions.

Civil society organizations in Argentina then include the following types of institutions (UNDP 1998):

- Self-help associations such as mutual benefit organizations, parents' associations, hospital support associations, sport clubs, retirement centers, trade unions, ethnic groups, professional associations and enterprise organizations
- Private enterprise foundations composed of family and company foundations
- Grass-roots organizations and social movements, made up of neighborhood associations, community soup kitchens, neighborhood clubs, popular libraries and indigenous community associations
- Supporting organizations. These organizations are what people usually think of when the term NGO is mentioned. They employ the largest number of professionals in advisory positions. Supporting organizations are comprised of social and cultural service organizations, organizations that promote social integration and human development, advocacy organizations, and academic research centers.

The classification of the UNDP project does not consider co-operatives to be part of the third sector. The co-operative movement, however, was very important in Argentinian history because it played a vital role in encouraging association and self-organization. The dismantling of cooperatives began in the 60s, when many of them were shut down and many were transformed into private enterprises.

Even though CSOs comprise a heterogeneous group whose aims, structures and



styles of management vary considerably, they all share five crucial characteristics: they are organized, private, nonprofit, self-governing, and voluntary. As far as social policy-making is concerned, they all promote community action, develop social projects, deliver social services and encourage social integration. They are private organizations which produce collective goods<sup>1</sup> or have public impact. For this last reason, in this paper we take into account all of these types of organizations and their interaction with the government. We use the terms NGOs, the Third Sector and Voluntary or Nonprofit Organizations interchangeably, even though we prefer to use the expression *Civil Society Organizations*.

### **Types of relationships between CSOs and government**

Henriksen (1996) describes five main types of relationships between the government and CSOs, and we have found that all are present in Argentina today. They are: **contractual interaction**, when a CSO negotiates with the government to determine both partner's tasks and obligations, which are then stipulated in a contract<sup>2</sup>; **critical collaboration**, when a CSO has a greater degree of autonomy for determining its own duties and ways of operating; **autonomy**, when an organization is based on self-organization and mutual aid, and is independent from the state; **private patterns of interaction**, when CSOs have a distant relationship with government and are not interested in direct cooperation; and **closed and self-legitimated CSOs**, which are separate from government and have a marginal position in the welfare system. These relationships between public and private actors are informal or contractual-based. The tendency, however, is to increase legal ties.

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<sup>1</sup> "Collective goods are products or services... that, once produced, are enjoyed by everyone whether or not they have paid for them". (Salamon, 1987: 109).

<sup>2</sup> Many organizations depend exclusively on these contracts for their continuing existing.

Given this classification, we can categorize the types of relationships between CSOs<sup>3</sup> and the state in Argentina as follows:

<b>Type of civil society organization</b>	<b>Type of relationship with the state</b>
<b>Self-help associations</b>	Autonomous
<b>Private enterprise foundations</b>	Closed
<b>Grass-roots organizations and social movements</b>	From critical collaboration to contractual interaction
<b>Supporting organizations</b>	Contractual interaction

We consider the majority of *self-help associations* to be autonomous because they are generally more concerned about their relationships with other CSOs than with the state. Legal status is granted to them by the central or provincial government. Consequently, the links between municipal government and self-help associations are weak. *Private enterprise foundations* are closed, i.e. they work independently of the government. Historically, links with the different levels of government have been insignificant. In spite of this fact, company foundations are becoming increasingly important in our country. The largest foundations together with the government organize or support actions such as seminars, training courses for institutional leaders, or special events. The relationships between *grass-roots organizations* and government, in contrast, range from critical collaboration to contractual interaction. There is intense interaction between local government and grass-roots organizations, whose activities are frequently supported or subsidized by the state. The state

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<sup>3</sup> We use the typology proposed by the UNDP project for *A Development Index of Civil Society Organizations in Argentina*, 1999.

in turn often enlists the aid of these types of CSOs for carrying out social programs. Finally, there is frequently contractual interaction between *supporting organizations* and the government, who requests their help in designing and evaluating social programs and in training members of community associations. Supporting organizations mediate between the state and grass-roots organizations. They mobilize financial resources, design projects and make contacts with the government.

### **III. Theoretical contributions to the literature**

According to Esping-Andersen (1990), in every type of welfare state regime we can find both public and private provision of social services. Nevertheless, it is the specific combination of these elements which determines the main characteristics of the welfare state. Applying Esping-Andersen's typology of welfare regimes to the case of Argentina, Lo Vuolo (1993) suggests that the development and characteristics of the Argentinian welfare state were based mainly on a combination of the *corporatist model* and the *social democratic model* which resulted in a 'hybrid institutional system'. This model accounts for the strong presence of the central government in the design and provision of some universal social policies as well as the significant participation of some types of CSOs --such as trade unions or religious groups--in the delivery of social services.

The interaction between government and CSOs has been described by many authors as a relationship based more on interdependence and collaboration than on competition. Gidron, Kramer and Salamon (1992) observe that in the early studies of the welfare state, the predominant idea of nonprofit sector-government interaction was that it involved a competitive relationship of either state dominance or third sector dominance. But the empirical

approaches to comparative research have shown that, in fact, the ideological construction of the competitive paradigm fails to explain reality. On the contrary, what emerges from the empirical analysis of different forms of government-third sector interaction was *cooperation* instead of conflict. Of course, there are some conflictive elements in government-third sector relationships which manifest themselves in the different levels in which government and CSOs can operate as well as in the allocation of functions that the government and CSOs can perform. The problem of the competitive paradigm, though, is that by focusing only on the conflictive components of the relationship, it ignores areas of cooperation. Another important finding that emerged from cross-national comparative research is that in almost every country in which the issue was examined, there has been a long history of cooperative relationships between the state and the third sector. A similar pattern has prevailed in Argentina.

Gidron, Kramer and Salamon (1992) distinguish four basic models for describing the relationship between the government and the nonprofit sector, depending on the degree of involvement of both actors in the financing or delivery of social services. They are: the government-dominant model, the Third-Sector dominant model, the dual model (in which nonprofits can supplement or complement the services provided by the state while remaining autonomous) and the collaborative model (in which both actors work together rather than separately). This last type of relationship between the government and the third sector is becoming more and more common and can take two different variants: the *vendor* variant and the *partnership*. In the *vendor* variant nonprofit organizations function merely as agents of the state which carry out routine responsibilities. On the contrary, a *partnership* is produced when CSOs enjoy a significant degree of discretion, whether intentional or not, in the operation of public programs. The degree of discretion, and consequently, of autonomy, depends on the nature of the activity and on the type of relationships established. It is this

notion of *partnership*, rather than the *vendor* variant, that we shall discuss later on in this paper.

In his study of the U.S. case Salamon (1987) acknowledges that the government and nonprofits fulfill complementary roles when working together. In government-nonprofit cooperation the weaknesses of CSOs are the strengths of the state, and vice versa. The government is able to generate financial resources, to set priorities for the basis of democratic political processes, to overcome the paternalism of the charitable system by making access to social protection a right instead a privilege, and to improve the quality of services through quality-control standards. On the other hand, voluntary organizations can personalize the provision of services, operate on a smaller scale than the government, adjust care to people's needs rather than to the requirements of government agencies, and permit a degree of competition among service providers. As a consequence, "neither the replacement of voluntary sector by government nor the replacement of government by voluntary sector makes as much sense as collaboration between the two" (Salamon 1987:113). The collaborative model then draws on the respective strengths of governments and CSOs while avoiding their respective weaknesses. Service provision through the voluntary sector may have some limitations, but it is still the most suitable mechanism for providing collective goods. This is why a firm commitment from the government is important for furthering collaborative actions.

But the collaborative model varies considerably from country to country and within the same country. For example, in their study of the Norwegian case, Kuhnle and Selle (1992) point out that despite the dominant role of the state in Scandinavian countries, a great variety of voluntary organizations from large charitable institutions to more specialized ones have emerged since the nineteenth century. These organizations have developed important relationships with the government. Even though from 1950 to 1970 there was an expansion of

state organized and financed social programs, a large part of the delivery of social services was run by voluntary organizations. Furthermore, the political debate of the 80s placed strong emphasis on the progressive role of CSOs and social networks and their cooperative interaction primarily with local governments.

In a comparative study of the American and European experiences of welfare mix, Salamon and Anheier (1998) differentiate between the American pattern called Third Party Government and the German pattern which emerges from the doctrine of subsidiarity. The U.S. has a widespread pattern of government-third sector linkage based on the sharing of authority over public social programs, but the extent and features of these agreements vary from field to field. In the German case there is a strong governmental policy which promotes the compromise between the state and associations. According to Vilas (1996:10), “institutions are not a *datum* but rather a *constructum*; institution-building, when it is effective, is the result of a particular configuration of power relations”. The real functioning of institutions is intimately linked to history, culture, and the specific characteristics of a society. Political institutions condense, in the specific mode they operate, the values, memories and attitudes of a society. As we have said, the “hybrid institutional system” of the welfare state in Argentina is a combination of the corporatist model and the social-democratic model. Consequently, the development of partnerships in our country is more similar to the European experience than to the American one, even though there are enormous differences in our social and economic development. Despite the differences in all these different types of welfare state regimes, a striking similarity is evident: a third route to the provision of social services is emerging which is unlike state or private provision and which is increasingly decentralized.

Local areas are the most suitable realms for the development of the collaborative model. As Henriksen (1996) points out in his study of the Danish case, since the middle of the

80s there has been a shift in the general perception of the significance of voluntary organizations in the decentralized welfare state. According to Henriksen, in working together with local governments, voluntary organizations have become key actors in creating a new ideological space for shaping public policy. Lechner (1997) also shows how in Latin America the state is delegating its former duties and functions to social organizations, thereby producing a combination of different structures for managing public policy. These initiatives can be seen as new institutional forms which combine different organizations to produce a new type of social management. Nevertheless, the state has a specific—but not predominant—role in organizing, moderating, and taking the initiatives for ameliorating social and economic inequalities.

In his research on welfare mix in France, Laville (1996) focuses his attention on local initiatives as well. Today there is a convergence between the action of the state, private enterprises and CSOs. Together they are generating some experiences of “household and community services” in an effort to solve the problem of unemployment. In establishing new patterns of interaction between the state and local communities, these new social policies promote the formation of partnerships and encourage dialogue between institutions. Household and community services are based on *objective proximity*, because they are provided in local areas and *subjective proximity*, because they promote the interaction between social actors. Clearly, partnerships are active components of local initiatives. Moreover, these studies all demonstrate the increasing importance that alliances between social and political actors have in contemporary societies.

#### IV. Public-Third Sector partnerships in social policy making in Argentina today

Public-third sector interaction is not a new phenomenon in Argentinian social policy-making. In fact, some public-third sector interactions are deeply rooted in Argentinian history. The *cooperadoras hospitalarias*, for instance, have existed since the beginning of the twentieth century. And even under the state-dominated welfare system, many CSOs in our country — especially trade unions— helped fill the gaps in the public welfare scheme and played a vital role in influencing social policy through collective bargaining, welfare provision and mechanisms of social integration. Nevertheless, major changes are occurring in the field of partnerships. Over the past decade the state has begun to consider CSOs as “stakeholders” or relevant actors in the social policy system. These stakeholders influence social policy-making because they have legitimacy and power, hence are able to bring pressure to bear on the government. At the same time, social policy-making affects CSOs, which are often obliged to adapt their activities to the social priorities of the state. Another important change is that local governments themselves are making efforts to further partnerships as a source of human resources and as a way of improving their own organizational capacity.

Several studies carried out recently by both the state and international organizations have emphasized the importance of identifying the scope of the interaction between the government and the third sector in Argentina<sup>4</sup>. But these studies notwithstanding, there is still a lack of unified sources for obtaining data or information about either government financial support of non-profits, or the extent of the partnerships. Consequently, for the purposes of our study, we shall limit ourselves to how the government and third sector interact.

We can distinguish between **two main types of government-third sector**

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<sup>4</sup> The most important large –scale projects are the Johns Hopkins cross-national analysis for *Defining the Nonprofit Sector* and the UNDP project on *Development Index of Civil Society in Argentina*, 1999.



**interaction** in Argentinian social policy-making. This distinction is based on what a partnership is intended to achieve. Some partnerships are created for **designing, managing or supporting a social program or for delivering social services**. In this type of partnership the government often provides financial support for CSOs, usually in the form of grants or contracts. For instance, the provincial governments in Argentina subsidize the majority of private schools. On the other hand, CSOs help the state to administer public institutions and seek funding for the sustainability of these institutions. One example is the *cooperadoras hospitalarias* for public hospitals, whose members pay a monthly fee, make donations or organize social events to raise money, especially for new equipment or infrastructure. Another important form of public-third sector interaction is when the government and CSOs share in the management of social programs. For example, the programs against poverty involve the participation of grass-roots organizations and supporting organizations in conjunction with government agencies.

Other partnerships are designed for **influencing collective decision-making or shaping social policy**. These types of agreements encourage participation and include social actors in policy decisions. Examples of these partnerships are the experiences of strategic planning which are being carried out in several cities in Argentina. In the process of strategic planning there is significant interaction between the state, local enterprises and a wide variety of third sector organizations which are concerned about the future of our cities. The partnerships which are emerging from the process of strategic planning determine the most important projects for improving the city. Different public-private initiatives for the creation of employment and local development are being developed along the same lines as strategic planning. Even though they are small-scale operations, some of these experiences such as labor cooperatives (*cooperativas de trabajo*) or social enterprises are providing the basis of a “social economy”.

## **The management of partnerships**

The government and CSOs each have their own management styles, skills and strategies. One of the most noticeable differences between actors is that the government is characterized by bureaucracy, inflexibility and a lack of transparency. This is especially true for the central government. Local levels of government, though, are closer to the people and are better known by the organizations. Consequently, they have to be more open to suggestions and adopt a friendly management style. Whereas CSOs tend to be more flexible than the government, they also have some organizational rigidities. Still, when working together in partnerships, both government and CSOs can transcend traditional ways of operating, and incorporate the most positive aspects of each into a new management style.

In forming partnerships CSOs and the government are involved in a dynamic process of negotiation in which they manage conflicts and seek consensus. Even though, in theory, the process of negotiation involves trustworthiness, representational capacity and elements of conflict and cooperation between parties, in practice it's not so easy. According to CSO representatives, in negotiating with any level of government, there is an enormous disparity of power and resources between organizations and the state. Only by reaching agreements and by entering into alliances can they learn to transcend constraints, to grow and to achieve a greater degree of autonomy. Of course, CSOs must keep in mind that power stems from the possibility of managing financial resources, from the ability to influence public opinion and from the autonomy to make their own decisions and to choose the most suitable courses of action.

In partnerships there is a specific allocation of responsibilities. While the government plays a managerial role, CSOs perform the significant functions of administering funding or delivering services. In the majority of partnerships, the most important functions of the state

are to provide funds, training, information and infrastructure. The central task of CSOs is to contribute with their organizational capacity, human resources, flexibility and personal interaction.

Since the government is responsible for the whole population, it needs to achieve a balanced solution for all. In public-third sector partnerships then, the government must encourage coordination between institutions and avoid favoritism towards any particular organization. CSOs in partnerships can contribute to '*social accountability*' i.e. the control of the effectiveness of public programs by the beneficiaries. Even though CSOs represent particular interests, hence they usually focus their activities on particular groups of people, they are equally concerned about being held accountable not only to the government but also to the beneficiaries, especially when managing public resources.

### **Types of resources supporting these partnerships**

There are two main types of resources which support partnerships: human and financial resources. With regard to human resources, it is important to point out that in partnerships, voluntary workers are provided by CSOs. On the other hand, paid workers come from both the public sector and CSOs. One easy way for the government to financially support partnerships is to contribute with its own workers. The formation of a partnership involves an interesting exchange of ideas between state and third-sector employees: while the government workers learn more about community action, CSO workers acquire a deeper understanding of social problems. In addition, partnerships are promoting a fluent exchange of professionals and leaders between CSOs and government.

With respect to financial resources, we affirm that the government is the most important source of income for nonprofit service providers. In Argentina all levels of government provide a significant part of the funding for partnerships. The most common type

of state funding is grants for specific purposes or particular projects, i.e. instead of subsidizing organizations, the government funds the programs themselves. Over the past decade the government has frequently created social programs and invited CSOs to participate in their management. For example, the National Assistance Program for Vulnerable Groups (*Programa de Asistencia a Grupos Vulnerables, PAGV*) was created for funding grass roots organization projects which also involve the participation of supporting organizations. The fact that CSOs receive funds from the government is an example of public-private integration in itself. It is often easier for the different levels of government to administrate public expenditure for social programs through CSOs. In other cases the government reimburses CSOs for social services provided to people on behalf of the state (Salamon and Anheier 1998). For example, private non-profit schools in Argentina are accredited by the Provincial Ministries of Education, which determine the basic pay-scale for teachers and the academic programs. Civil associations (religious or otherwise) in turn administer the schools and provide additional funds for infrastructure or equipment. Of course, when the government offers financial support for CSOs, it is the government itself who establishes the patterns of action. The more democratic the government, the more open it is to CSO's ideas and initiatives about the programs.

### **The legal and institutional frameworks within which partnerships are established**

CSOs in Argentina are required to be legally constituted in order to enter into partnerships. The prevailing types of legal configurations for CSOs are: associations and foundations, cooperatives and mutual benefit associations, trade unions, and entities of public welfare. The Argentinian Civil Code (*art. 33 inc. 5*) provides for the establishment of several legal entities. *Law N° 17.711* distinguishes two main types of legal structures: foundations and associations. Foundations are created through the donation of a specific property which is

autonomously administrated. Their by-laws are more rigid than those of associations, which are based on membership. Both these types of CSOs are officially registered and regulated by the *provincial* governments, which grant them legal status (*juristic person*) through the Provincial Office of Juristic Person. The National Institute of Cooperatives and Mutual Benefit Associations registers, grants legal status to and regulates cooperatives and mutual benefit associations, whereas the Ministry of Labor officially recognizes and regulates trade unions. Entities of public welfare are also granted legal status by the national government. The register for this type of CSOs was established within the Ministry of Foreign Relations in 1937, especially for those institutions dedicated to social assistance. In 1997 the National Registry of Entities of Public Welfare was transferred to the national Center for Community Organizations (*CENOC*), created in 1995 under the jurisdiction of what was then the National Office (but now the Ministry) of Social Development. Recently, some municipalities have begun to create *local* registries especially for community associations which provide social assistance in local areas.

We have seen that in order to be recognized as legal entities, CSOs in Argentina must be officially registered. Moreover, different types of CSOs register in different public institutions. The existence of these multiple registries has led to duplicate registration of many CSOs. On the other hand, since regulation procedures are so cumbersome, some CSOs do not register at all. The lack of widespread information about registration procedures has also kept even more CSOs from registering. From the data gathered for the UNDP-BID research project on *A Development Index of Civil Society in Argentina* (1999), we estimate that approximately 35% of the Argentinian CSOs are not recorded in any official register, thus are not considered to be legal entities by the state. CSOs can circumvent this situation, though, and still legally operate. This is because the Argentinian Constitution (*article 14*) guarantees individuals the right of “association with useful objectives”. Nevertheless, these

CSOs are not eligible to form partnerships with the state.

In Argentina there are no specific laws concerning partnerships between the state and the third sector. The advantage of this lack of legal constraints is that it allows some scope for flexibility: partners are able to choose the most convenient way of working together. Still, in order for partnerships to thrive, the state must guarantee the conditions for a favorable institutional space. Some of these conditions are: encouraging public and legislative debate about the role of CSOs in social policy-making; facilitating the access of CSOs to public information about both social programs and the availability of public resources; and promoting more suitable and broader legislation which would guarantee the right of CSOs to participate in public issues and stipulate the responsibilities involved in these activities. Clearly, for furthering the development of partnerships, updating the legal framework is one of the most important challenges that CSOs and government have to face in Argentina today.

## **V. Issues emerging from the partnerships**

### **Hindrances to the formation and development of partnerships**

An inadequate legal framework is not the only hindrance to the formation of partnerships. Because in Argentina today the responsibility for the design, funding and delivery of social services is still generally attributed to the state, any delegation of the provision of services is seen as a shirking of the government's responsibilities. As a consequence, state overtures towards CSOs arouse suspicion. Within the voluntary sector itself there is a tendency to explain the increasing participation of CSOs in the delivery of social services as a consequence of failures in the state or the market (Salamon 1987). Since neither the state nor the market can eliminate poverty, it is civil society who must help to mitigate its

consequences. In our country this notion generates identity conflicts for CSOs, who wonder who they are and whom they really work for. The resulting dilemma is that CSOs are created for promoting solidarity and community development, but resist being held accountable to the government, whom they consider to be responsible for the structural adjustment measures and increasing inequality. Sometimes power struggles arise between CSOs and the state, which result from personal conflicts, lack of identity, or not having a clear idea of what their institutional missions are. Finally, partnerships are affected by competition among different CSOs, which vie with one another for limited financial resources.

Another problem confronting partnerships is the inflexibility of institutional forms, which hampers the incorporation of these initiatives on the political agenda. Each actor must adapt traditional structures and develop flexible institutional forms which encourage the formation of partnerships. In order to do so, CSOs and the government must make efforts to simplify organizational structures. This is especially true for the government, who needs to do away with red tape and modify its traditional ways of designing, delivering and evaluating social programs. Furthermore, traditional organizations such as mutual benefit associations or trade unions also need to modernize their structures in order to facilitate collaboration with the government.

Perhaps the main problem confronting partnerships today is their own sustainability. Even though they are dynamic relationships, it is important for partnerships to be sustainable initiatives and that local or small-scale experiences can be replicated. Generally speaking, partnerships are developed in micro-spaces mainly at the local level. One way of contributing to the sustainability of these experiences is to optimize human and financial resources and encourage inter-organizational cooperation. The major impediments to the sustainability of partnerships, however, are the discontinuity of funding and the loss of motivation of the actors. As we have said, most partnerships are greatly dependent on government financing,

and in depending on only one source of funding, partnerships are in grave jeopardy. In fact, their very existence is contingent on the present and future availability of funds. This is why both actors must sharpen their skills for obtaining alternative sources of funding. Loss of motivation, though, is caused not only by the uncertainty about the availability of funds. It also stems from a lack of coordination between partners, the actors' organizational constraints, and some misunderstandings which arise on account of different management styles. Even though partnerships have generally been positive experiences, Laville (1996) points out the existence of some disappointment with local partnerships which have required a great deal of effort to achieve, but have not had the expected results in terms of the dynamics they have generated.

### **Challenges confronting the partnerships**

In the design and implementation of social policy in Argentina, forging partnerships is an arduous task. It is a learning experience in which both the state and CSOs find themselves compelled to increase their organizational capacities –especially the ability to deal with relations among different organizations. Whereas CSOs are strengthening their capacity to think strategically, to define major social issues and to influence the political agenda, the government is attempting to modify its traditional ways of designing, delivering and evaluating social programs. Both the government and CSOs must adapt ways of operating, redefine their functions, and incorporate structural changes into a new style of management.

One challenge that partners are confronted with is modifying the traditional hierarchical power structure and establishing more democratic leadership. Some partnerships still favor the action of strong leaders within traditional structures, which may degenerate into modern forms of patronage. Nevertheless, society is increasingly polycentric and needs non-hierarchical structures created through decisions made by multiple actors. To be successful



and sustainable, partnerships must be an association between equals --not the subordination of one actor to another. Consequently, each partner must avoid paternalistic and authoritarian styles often present in agencies of government and sometimes present in CSOs, even under democratic rules of social regulation. If civil society actors are merely incorporated into the hierarchical public structure, this situation does not constitute a partnership. However, several social programs which have coopted CSOs are frequently called partnerships. As a result, the government, although it involves CSOs, manipulates social programs. Moreover, some CSOs are created only as a formality for the specific purpose of fulfilling the government's requirements for providing funds. This leads to failures in social programs and gives rise to the establishment of fictitious organizations which exist in name only and often serve as a means of appropriating funds.

Another challenge that partners are confronted with is the need to increase transparency in the use of financial resources and boost productivity in the development of social programs. This means improving the relationship between resources and results, and introducing monitoring instruments to evaluate efficacy and efficiency. Both state and CSOs must better their capacity for self-evaluation and seek more effective instruments for the evaluation of social programs.

## **VI. The impact of partnerships**

### **Partnerships as an innovation in social policy-making**

Partnerships are innovative ways of managing public programs. Rather than being merely an intermediate space between the state and the market, partnerships constitute novel institutional forms which are proving to be effective instruments of participation and

negotiation. As far as funding is concerned, partnerships are produced with existing resources while introducing far-reaching changes in the traditional ways of managing financial resources for social services. In addition, partnerships bring about radical transformations in both the actors involved and in the political education of these actors. Finally, partnerships are important initiatives in improving the design and implementation of social policy in an effort to ameliorate both social and economic inequalities.

The key issue then is to determine what shape this innovation in social policy-making will take and why? The question is if the third sector is involved in the design and implementation of social policies only for meeting the requirements of the structural adjustment measures, i.e., if partnerships are a process induced from the top down, will there be the necessary consensus to link state and civil society? Or do partnerships reconfigure social policy-making to produce a broader distribution of wealth and create job opportunities? We recognize that partnerships can contribute to the improvement of organizational capacities only if they help organizations to meet their goals. In social policy these goals are closely related to assuring social equity. The main changes that partnerships introduce are more flexible and less bureaucratic management of social services which better meet the demands of the people; increasing participation and social involvement; and improved efficiency based on the criteria of social justice. If partnerships concentrate only on economic and administrative efficiency and ignore the importance of social mobilization, they are bound to fail.

### **The influence of partnerships in strengthening citizenship**

Citizenship can be defined as the relationship between individual actors in a political society. Individuals become citizens when they exercise civil, political and social rights. In formal democratic systems citizenship is a juridical condition. If we consider democracy as a way of

life and a system of values, however, citizenship is a building process in which real citizens learn the effective exercise of rights.

According to Esping-Andersen (1990), citizenship is the central idea of welfare state systems. Depending on the extent of the social rights that people enjoy, we can identify the scope and characteristics of the welfare state. Moreover, the protection of social rights is the result of different combinations of state regulation and civil society regulation. In Argentina and in most Latin American countries, however, the true practice of citizenship has not been achieved. It has been partially reached and coexists with practices of patronage, populism and particularism in which certain social groups pressure the state to obtain direct benefits. Moreover, there is a strong contradiction between the repeated enunciation of the need to exercise citizenship and the ever-increasing social and economic inequality which are an obstacle to the development of citizen rights. The effective exercise of citizenship is related to political conditions and to political commitments to empower individuals and thus, civil society.

The broader the participation of social movements and CSOs in public issues and the greater their cooperation with the state, the stronger the “social capital” (Putnam, 1993). As we have said, citizenship is a building process, not a condition. Partnerships between the state and civil society organizations are fostering social interaction by involving social actors in carrying out projects and in promoting the social capacity for networking. Partnerships can contribute to strengthening citizenship in that they encourage citizen participation in public issues. Partnerships introduce the idea of achieving common goals and make it possible for CSOs to play the role of mediating between society and state, creating new kinds of alliances. In cases where CSOs have been previously involved with the communities the social programs are designed for, the government often encourages the continuing presence of CSOs because they are more sensitive to the community’s needs. Hence CSOs have

legitimacy and are able to provide the most suitable services. Moreover, CSOs in partnerships often play the role of providing a voluntary and community basis for social policies. If governments are not dumping responsibilities on, but rather delegating them to partnerships (Ullman 1998), citizenship may increase because the state can keep its social commitments without reducing public expenditure for social issues. In fact, partnerships are new institutional arrangements which we consider to be an institutional aspect of developing citizenship.

### **Concluding remarks**

In Argentinian social policy today new forms of partnerships are being created for the implementation of social programs, the delivery of social services, and for reaching agreements in the planning of public policies. These partnerships are supported and promoted by the state, who needs to build new kinds of alliances in order to improve its own organizational capacity and meet unsatisfied social needs. Local areas are the most suitable realms for forging partnerships. The central issues confronting partnerships in our country are: the sustainability of the initiatives, the revision of the legal and institutional frameworks and the great disparity of structures and resources between the state and CSOs and among CSOs themselves. Moreover it is important to determine the scope and real impact of partnerships in solving social problems. All of these points are topics for future research. Because political democracy and citizenship can best be achieved through horizontal associative networks, we consider that in spite of their shortcomings, partnerships may constitute an extraordinary instrument for increasing civic responsibility, encouraging voluntary cooperation and promoting solidarity among the members of civil society.

**Notes**

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