

**THE ROLE OF SOCIAL ACTORS IN SHAPING PUBLIC  
POLICY**

**PUBLIC-PRIVATE PARTNERSHIPS IN ARGENTINA**

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Prepared for Presentation at the Fifth International Symposium in Public Management  
(IRSPMV5), April 9-11, 2001— University of Barcelona

## THE ROLE OF SOCIAL ACTORS IN SHAPING PUBLIC POLICY

### PUBLIC-PRIVATE PARTNERSHIPS IN ARGENTINA<sup>1</sup>

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#### Introduction

Public-third sector interaction is not a new phenomenon in Argentina. In fact, some partnerships between the state and CSOs are deeply rooted in Argentinian history. What is new in the field of public policy-making, however, is that the government has begun to consider CSOs as key stakeholders or relevant actors in the policy system. These stakeholders are able to influence the outcome of the political process because they have legitimacy and power, hence can bring pressure to bear on the government. The governments themselves are making efforts to further partnerships as a way of improving their own organisational capacities. What is more, they consider that CSO participation enhances the effectiveness of government. Clearly, public-private partnerships in Argentina are modifying traditional ways of designing and implementing public policy not only through the participation of CSOs in social service delivery but also by influencing political decisions.

Since the 80's processes of economic, political and institutional restructuring have been carried out in Latin America. First, political transformations were directed to the re-establishment of democracy. Then, monetary and fiscal reforms were developed as a part of the structural adjustment measures aimed at stabilising the economy. Next, almost all the countries introduced administrative reforms in order to achieve more efficient, decentralised and strategic management of public issues. In this new era of public management, the management capability of the state is a crucial factor for success in public policy-making. If the state wants to better its management capability, it must be able to adapt to the rapid changes in society. In order to do so, it must be modernised.

Some characteristics of CSOs are really appealing to the government as a way of reinforcing its own management capability and thereby improving public administration. These are transparency, flexibility, accountability, non-hierarchical power structure, the possibility for social interaction, trustworthiness, simpler organisational structure, capacity for self-evaluation and openness to innovation. These features have been incorporated into a new style of management in which partnerships between CSOs and government offer more scope for flexibility.

The purpose of this paper is to describe and analyse two main types of public-private partnerships which are operating in Argentina today. First, we consider the partnerships created for delivering social services or for designing, managing or supporting a social program. We then go on to analyse those partnerships designed for influencing collective decision-making or shaping public policy. We describe some ongoing experiences of the two types of partnerships and reflect on the dynamics of each type. Finally, we discuss the main strengths and weaknesses of these experiences. We focus on the capacity of these small-scale experiences to transform the traditional ways of shaping public policy by incorporating participation in decision-making.

### **Partnerships created for delivering social services or for designing, managing or supporting a social program.**

The formation of public-private partnerships for the delivery of social services such as education and health has a long history in Argentinian social policy-making. In this kind of partnership the government often provides financial support for CSOs, usually in the form of grants or contracts. Traditionally, the social partners have been large institutions such as orphanages, schools or foundations for hospitals, which are often dependent on the Catholic Church. They have legitimacy because of their knowledge and experience. The fields of action of these partnerships are primary and secondary education, childcare and

health. In this case, partnerships supplement and extend public provision with similar services, thereby filling a service gap. This is especially true in the case of private non-profit schools. They generally receive the majority of their funding from the provincial government, and this funding is automatically renewed from year to year. If a private non-profit school is entirely funded by the government, the school is required to charge only a minimum tuition fee so that students from all socioeconomic levels are able to attend. A variation on this traditional type of partnership is when 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 organise social events to raise money, especially for new equipment or infrastructure.

Today partnerships are also being created for designing, managing or supporting a social program –especially the programs against poverty. The main organisations involved in this type of partnership are supporting organisations and grassroots organisations which are especially concerned with social assistance. Supporting organisations are what people usually think of when the term NGO is mentioned. Supporting organisations employ the largest number of professionals in advisory positions and are comprised of social and cultural service organisations, organisations that promote social integration and human development, advocacy organisations, and academic research centers. On the other hand, grassroots organisations are made up of neighbourhood-based associations, community soup kitchens, neighbourhood clubs, popular libraries and indigenous community associations.

In partnerships created for delivering social services or for designing, managing or supporting a social program, the government plays a managerial role while CSOs perform the functions of administering funding or delivering services. Agreement on the delegation of responsibilities to CSOs is formalised through a contract. In the majority of these partnerships the most important functions of the state are to provide funds, training

and information. The central task of CSOs is to contribute with their organisational capacity, human resources, flexibility and personal interaction. Whereas the state controls the services provided and sets the patterns of functioning in accordance with the corresponding public policy, CSOs provide the services and are accountable to the government. In these partnerships the CSOs act on behalf of the state in some fields which are primarily public responsibility, thus helping the government to meet some basic goals. Still, it is often hard for governments to make the transition from provider to regulator of basic services.

One of the major constraints on the welfare state in Argentina today is the impossibility of caring for a growing number of socially excluded people. As a stopgap measure, international financial organisations have urged the central government to develop a new type of policies known as *compensatory social policies* in conjunction with third sector organisations 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. In this case, partnerships prepare projects and assist in community development. They are becoming effective instruments for coping with the problem of poverty. They also provide continued monitoring of the conditions of poverty in a given community.

Since the 80's a wide variety of programs and services designed for assisting people with unsatisfied basic needs have been operating in Argentina. These programs, which are sponsored by the national and local government together with foreign donors, address specific problems or selected groups of people. We shall discuss two of these programs which involve partnerships between different levels of government and civil society organisations. They are the Program of Assistance to Vulnerable Groups (*Programa de Atención a Grupos Vulnerables - PAGV*) and the Program of Assistance to Underprivileged Children and Youth (*Programa de Atención a Niños y Adolescentes en*

*Riesgo – PROAME*). Both programs are carried out by the National Ministry of Social Development and Environment in conjunction with CSOs.

**Program of Assistance to Vulnerable Groups (*Programa de Atención a Grupos Vulnerables –PAGV*)**

This program aims at improving the living conditions of vulnerable groups of the population by developing a network of grassroots organisations. The program is specifically focused on female heads of households, youth, elderly people, indigenous people and the handicapped who live in poor areas of big cities. The services provided consist of technical and financial assistance for determining the problems and carrying out neighbourhood development plans. The program is being developed in several provinces in Argentina: Chaco, Buenos Aires, Córdoba, Tucumán, Santa Fe and Mendoza. In some areas of Salta, Jujuy, Chaco and Formosa, the program is focused on indigenous populations. Grassroots organisations are responsible for carrying out the projects and for managing financial and human resources. Each neighbourhood plan also includes the participation of a supporting organisation which provides technical assistance to the grassroots organisations.

**Program of Assistance to Underprivileged Children and Youth (*Programa de Atención a Niños y Adolescentes en Riesgo – PROAME*)**

The purpose of this program is to develop an institutional network for improving the quality and extent of childcare services and to design different projects for vulnerable children and young people. It offers financial support, training and technical assistance for CSO projects whose beneficiaries are children with unsatisfied basic needs. The program is being carried out in a majority of provinces of Argentina: Buenos Aires, Córdoba, Corrientes, Chaco, Entre Ríos, Formosa, La Pampa, La Rioja, Mendoza, Misiones, Neuquén, Río Negro, San Juan, San Luis, Santa Cruz, Santa Fe and Tierra del Fuego.

While the supporting organisations are responsible for the design and management of the projects, a special office of the national government selects the projects, co-ordinates the activities, and evaluates the results of the projects. It also funds the training of CSO leaders involved in the project. Participating CSOs must be recognised as having certain institutional capabilities.

### **Partnerships designed for influencing collective decision-making or shaping public policy**

Other partnerships are being designed for influencing collective decision-making or shaping public policy. The main difference between this type of partnership and that discussed above is that rather than delegating responsibilities to CSOs, the government enlists the aid of CSOs in defining problems and in trying to solve them. For example, in urban renewal projects the government exchanges ideas with CSOs about how to improve a specific area, and the responsibility for the project is shared between both entities. These partnerships are new experiences in the field of public management in Argentina. They have been prompted by the process of decentralisation and the ensuing shift of responsibilities from the national to local governments in the 80's and 90's. The key organisations involved in this type of partnership are public and private universities, enterprise associations, research centers, foundations and private firms. All of them are especially concerned with economic and social development.

Public-private partnerships directed at influencing collective decision-making are primarily arrangements between the government and private sector entities (both for-profit and non-profit) for setting the patterns of shared development projects. Even though these partnerships are not created for providing services, they sometimes generate new entities for the financing, design or management of local projects. This type of agreement encourages participation and includes social actors in local policy decisions. In these

partnerships, CSOs and private enterprises work together with the government in the areas of regional economic development, urban renewal and the creation of employment.

Even though the government has a specific role in political decision-making, it functions as another actor in the development of this type of partnership. In partnerships created for shaping public policy there is no clear-cut division of responsibilities for the design, implementation, control or administration of a program. Both public and private partners are able to play interchangeable roles in the projects emerging from these partnerships. It is true, however, that the calls for proposals, the establishment of the procedures to be followed in developing a public-private partnership, and the majority of funding required to support the activities are primarily the responsibility of the local government in Argentina today. For CSOs and private firms a more active participation in these fields is a future challenge.

The most salient examples of partnerships designed for shaping public policy are the experiences of strategic planning which are being carried out in several cities in Argentina, and the Regional Development Agencies.

### **Strategic planning**

Strategic planning is a specific instrument of management which encourages the participation of both for-profit and non-profit organisations in local policy decisions. The partnerships which emerge from strategic planning are especially created for designing and managing a sustainable project for the city. But these processes of citizen involvement are not spontaneous. Nowadays, it is the local government which is primarily responsible for fostering opportunities for CSO participation. Furthermore, the process of participation must include actors with a strong technical orientation who have the capacity for dealing with the needs and requirements of society. This kind of public-private partnership requires clearly established rules so that collective and individual benefits are produced which in turn strengthen the actors' motivation to continue participating in the



project. Strategic planning allows local governments to enlist the participation of social actors, to achieve consensus about policies and projects and to encourage partnerships aimed at proposing, implementing and evaluating projects. Strategic planning is only possible, however, if the government is willing to share the power and respect the decisions which emerge from the process of negotiation. The main examples of this type of partnership in Argentina are the Strategic Plans of Rosario, Córdoba, Buenos Aires, Bahía Blanca and of several smaller cities such as Rafaela, Villa Constitución and San Nicolás.

The plans usually begin with a charter signed by the major local organisations including the municipal government, the provincial government and private companies together with institutions such as the Catholic Church, the Universities and the mass media which are capable of transforming the city and influencing public opinion. Usually, interdisciplinary professional groups draw up a preliminary document which outlines the different stages of future tasks. There are two basic sources of input: the knowledge of the professionals and the knowledge of the social actors. During the stages of the plan — Diagnosis, Planning, Strategic Management, Monitoring and Evaluation— social and political actors work together in Participation Workshops. In the Strategic Management stage of the plan the actors define their own responsibilities in the projects and design monitoring systems such as Urban Indicators Systems. Depending on the changes in the social context, they adapt the agenda to different conditions and circumstances as they occur.

### **Regional Development Agencies**

Another kind of partnership which is being carried out successfully in several cities in our country is the Regional Development Agency. Regional Development Agencies are created for furthering economic development and for promoting business efficiency, investment and competitiveness. They promote employment based on the specific needs

and resources of a given region. The establishment of RDAs has begun to include the regional economic dimension on the local agenda. The main task of each RDA is to design a regional economic strategy through a process of widespread consultation. The principal purpose of RDAs is to sharpen economic competitiveness. RDAs usually work with the partnerships that already exist at local or regional levels. Sometimes RDAs create new partnerships. The actors are the different levels of government (national, provincial and municipal), for-profit organisations such as large enterprises, and non-profit organisations including the University. It is easier for these partnerships to agree on the stage of strategy formulation than it is for them to move on to the stage of service delivery or project implementation.

### **The impact of public-private partnerships in shaping public policy**

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. The key issue then is to determine what shape this innovation in public policy-making will take and why? The question is if civil society 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 recognise that partnerships can contribute to the improvement of organisational capacities only if they help institutions to meet their goals. In social policy these goals are closely related to assuring social equity. We should clarify that we consider social policy to be part of a system of public policy. There is a mutual influence between social policies and economic policies. In this sense, we cannot consider social policy to be merely the delivery of social assistance. Social policy is public action directed

to the development of human (social) rights, the guarantee of a basic quality of life and the promotion of social equity. We need to shift social policy from targeted programs against poverty to the expansion of social citizenship through education, health, housing and labour policies.

### **Some issues for concern: an inadequate legal framework and the perspectives of sustainability**

In Argentina an inadequate legal framework and the lack of specific laws concerning public-private partnerships are often hindrances to the formation of partnerships. In order to enter into partnerships, CSOs in Argentina are required to be legally constituted. This is especially important when a partnership manages a social program or delivers social services because the CSOs must be accountable to the state. The prevailing type of legal configuration for grassroots and supporting organisations is the *association*. Associations are officially registered and regulated by the provincial governments, which grant them legal status (*juristic person*) through the Provincial Office of Juristic Person. Registration procedures are cumbersome, so many CSOs do not register. Consequently, they are ineligible for participating in partnerships.

In partnerships designed for managing public programs there are fewer problems with formalisation because the local government has the power to make contracts or partnering agreements regarding the provision and administration of services. In the case of partnerships which shape public policy, however, the key question is how this type of partnerships can be institutionalised, or if indeed it should be institutionalised. The advantage of the lack of legal constraints is that it allows some scope for flexibility so that partners are able to choose the most convenient way of working together. From this point of view, the attractiveness of this type of partnership may be lost if the partnerships become formal institutions. Still, once the objectives, ways of operating and funding are agreed to under the terms of a partnership, it may be more convenient to make everyday

decisions within a new institutional form such as an agency, a committee or an entity created under the legal form of *civil association*.

Perhaps the main problem confronting partnerships today is their own sustainability. The sustainability of partnerships depends on two main issues: the motivation of the partners and the availability and continuity of funding. When creating a partnership, it is important to take into account what motivates the actors to participate, what they expect in the way of benefits, and what their needs and interests really are. The presence of strong leadership and the development of interdisciplinary technical teams are key elements for increasing motivation and for coping with some misunderstandings which arise on account of different management styles. It is also important for the authorities to modify existing legislation so that tax exemptions can be granted as an incentive for private partners to enter into partnerships. Another threat to the sustainability of partnerships is the discontinuity of funding. Because partnerships in Argentina are greatly dependent on government financing, partners must sharpen their skills for obtaining alternative sources of funding. Nowadays there are a variety of sources of funding for partnerships, from international to national and local funds, and from public financing to private sponsors. The problem is that prospective partners are not necessarily well informed about the availability of these funds.

### **Strengths and weaknesses of the experiences**

One of the greatest strengths of public-private partnerships is that they are attractive instruments for addressing the crisis of governability. Since the central government cannot keep its social commitments, responsibility for both governability and the provision of public goods has been shifted to the local level. This means that although decentralisation has brought decision-making closer to the people, cities are often saddled with more responsibility than they are willing or able to accept. Partnerships help

local governments to find a way out of the governability crisis by allowing citizen involvement in the design of their own future. In fact, in order to facilitate governability, local authorities are encouraging the formation of public-private partnerships. Moreover, local governments are developing the necessary expertise to evaluate, negotiate and implement public-private partnerships. One challenge for the future is to establish a policy for public-private partnerships which would establish procedures and evaluate the real impact of partnerships in solving the problems of our cities.

Generally speaking, the majority of partnerships are developed in micro-spaces at the local level. Partnerships are complements to local decision-making and alternative channels for dealing with conflict. They are important initiatives for improving the design and implementation of public policy in an effort to ameliorate both social and economic inequalities. As they transform the traditional relationship between the state and CSOs, partnerships bring about radical transformations in both the actors involved and in the political education of these actors: the stakeholders gain synergy from their own cooperation. Both public and private sectors can benefit by optimising their resources in order to improve basic service delivery to all citizens.

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. This is important as a way of achieving financial autonomy. Public private partnerships offer alternatives to full privatisation, thus they contribute to the emergence of social economy.

Public-private partnerships must face certain challenges in order to overcome their own weaknesses. For instance, the partnerships are still too dependent on the decisions of the state: they must grant more autonomy to civil society organisations. Equally important is to include a broader representation of CSOs in partnerships—especially the weaker or poorer organisations which lack the necessary skills for designing a project or negotiating a contract. With respect to the organisational structure of partnerships, it is

important to point out that partnerships should be flexible and avoid increasing the red tape for dealing with the accountability requirements of the state. Another important aspect to mention is the need to establish clearly defined rules and procedures which would help to achieve sustainability and strengthen motivation. Finally, we consider that public sector itself cannot ignore its responsibility in improving the locally available information on sustainable partnerships. It must also eliminate the legal, political, and institutional obstacles to forming effective public-private relationships.

## **Conclusion**

The main changes that partnerships introduce in public policy-making 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 mobilisation, they are bound to fail. The greatest impact of public-private partnerships in Argentina is that they are transforming the traditional, public and centralised ways of operating by permitting social actors to share in decision -making. Legal framework, sustainability and the local character of the experiences are all dimensions that require further research.

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<sup>1</sup> Our thanks to Laura McMillan for her invaluable assistance in writing the English version of this paper.

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