

Panel Title: The Changing Role of the Third Sector in Social Policy in Europe and the US

Panel Abstract:

In many countries, the legislative, regulatory and funding frameworks that directly govern third sector organizations – such as access to the tax system, ‘definition’ of charity, fundraising rules, funding instruments, and powers of the regulator – are being redesigned in order to create a more effective policy environment for the third sector and to respond to demands for more responsive regulation in general. In some cases, this reform process has involved considerable policy transfer in which jurisdictions are borrowing directly from others, but it is also characterized by enormous innovation. In addition to these new direct regulatory and funding frameworks, new rules in other domains – such as anti-terrorism laws and access to information requirements – are indirectly putting increased strains on the sector. Ironically, the increased prominence of nonprofit organizations in the new forms of governance is also leading to broad calls for greater accountability and more rigorous government oversight of nonprofit financial and programmatic operations.

Thus, a dual set of pressures exist that relate to the need for closer collaboration between governments and nonprofits and the maintenance of a regulatory function over the sector as a whole. Further the push for more regulation is encouraging more self-regulation of nonprofit both individually and collectively through intermediary organizations.

This panel focuses on this complex policy environment for third sector organizations in Europe and the US in the social policy arena. Jeremy Kendall’s paper examines the impact of “Europeanisation” on third sector organizations in Europe including their changing role in the policy process. Steven Rathgeb Smith’s paper will present the results of his research on the government-nonprofit relationship, with a focus on social and health organizations. Annette Zimmer will report on her extensive research on the new roles for third sector organizations in the policy process in Germany. The panel has two excellent discussants who are long-time observers and scholars of the policy process pertaining to the third sector in Europe: Professor Nicholas Deakin and Professor Lars Skov Henriksen.

Panel Organizer:

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Paper #1

The Third Sector in Social Welfare and Europeanisation: One Cut of the Literatures

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Despite the growth of a literature comparing the roles of the third sector in European welfare systems on one hand, and the emergence of scholarship examining 'Europeanisation' social policy processes (policy interdependencies between relevant national and supranational institutions) on the other, these bodies of work have to date remained largely balkanised. Drawing on the concepts and findings developed as part of the Third Sector European Policy (TSEP) network, this paper will seek to tease out the explicit and implicit relationship between them. It refers to the national welfare regimes or traditions to highlight the importance of persistent diversity in national patterns, but also suggest that these arrangements have been overlaid with significant external social, political and economic pressures for policy change, playing out in contrasting ways across country settings. Europeanisation, if formulated in appropriately broad institutional terms and including social, political and cognitive dimensions, can fruitfully be understood as a significant contributory factor in these complex processes of policy adjustment.

Paper #2

The Restructuring of the State-Nonprofit Relationship in US Social Policy

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In the last 25 years, nonprofit organizations providing social and health services in the US have increased in number sharply. This growth reflects the expansion of government and private funding and the diversification of the tools of government support. Government financing of nonprofit organizations has moved well beyond

grants and contracts to include tax credits, tax-exempt bonds, tax deductions, vouchers and various types of in-kind support. The growth of nonprofit social and health organizations and the expansion of direct and indirect government support has generated increasing pressure for more accountability, regulation and oversight of the nonprofit sector. The widespread attention to accountability has greatly encouraged more attention by nonprofit organizations themselves to self-regulation and pushed many nonprofits, either individually or through intermediary organizations, to advocate in the policy process for their own priorities and interests. This trend has in turn altered the political dynamic at the national, state and local level between government and nonprofit organization. This paper examines this ongoing shift in the politics of nonprofit organizations in the US with particular attention to social policy. This paper will be based upon empirical research that began in early 2007 and will continue through early 2008.

Paper #3
The Third Sector and the Policy Process in Germany

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This paper focuses on the emerging transformation of the policy process as it relates to the third sector in Germany, especially as it relates to social policy. In Germany, there is no policy community oriented towards the sector per se, whereby policies are related to the country's entire third sector. Although very recently a cross-cutting forum has been established as an outcome of one of Germany's Commissions of Inquiry set-up by the Federal Parliament. The forum, in which amongst others numerous representatives of third sector organizations are participating, serves first and foremost as a platform for the discussion and dissemination of ideas and topics related to genuinely cross-cutting policy issues, such as the reform of Germany's charitable law. Despite the lack of "pure horizontality" Germany is nevertheless equipped with a strong and durable governance arrangement in which, albeit restricted to the social welfare domain, third sector organizations are key-players, thus constituting a formally institutionalized and recognized "policy community" that is deeply bound up with, and enmeshed in Germany's conservative and corporatist welfare state. At the heart of this

arrangement are the central associations of non-statutory welfare, the free welfare associations Caritas, Diaconia, Parity, Workers` Welfare Associations, German Red Cross, and the small Welfare Agency of the Jews, respectively. In short, an embryonic broad third sector forum has started to move beyond politically embedded Free Welfare Associations (FWAs) which dominate the social welfare domain.

Discussant:

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