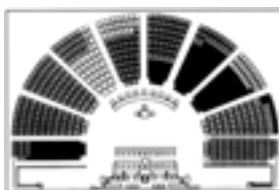


## Polity



Centre of Public Policy

University of Rome  
"La Sapienza"

## EuroSET European Social Enterprises Training

### *Comparative analysis of National Studies*

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Rome, July 10 2002



## **Executive summary**

This report summarises the main results of a comparative analysis carried out during the second phase of the EuroSet project. The work started with the first transnational meeting held in Rome in January 2002 and was finalised following the second meeting which was held in Brussels 26-27-28 June 2002.

The purpose of the report is to give indications of those development trends in the TS which will be of use in deciding the how to plan a European Training module.

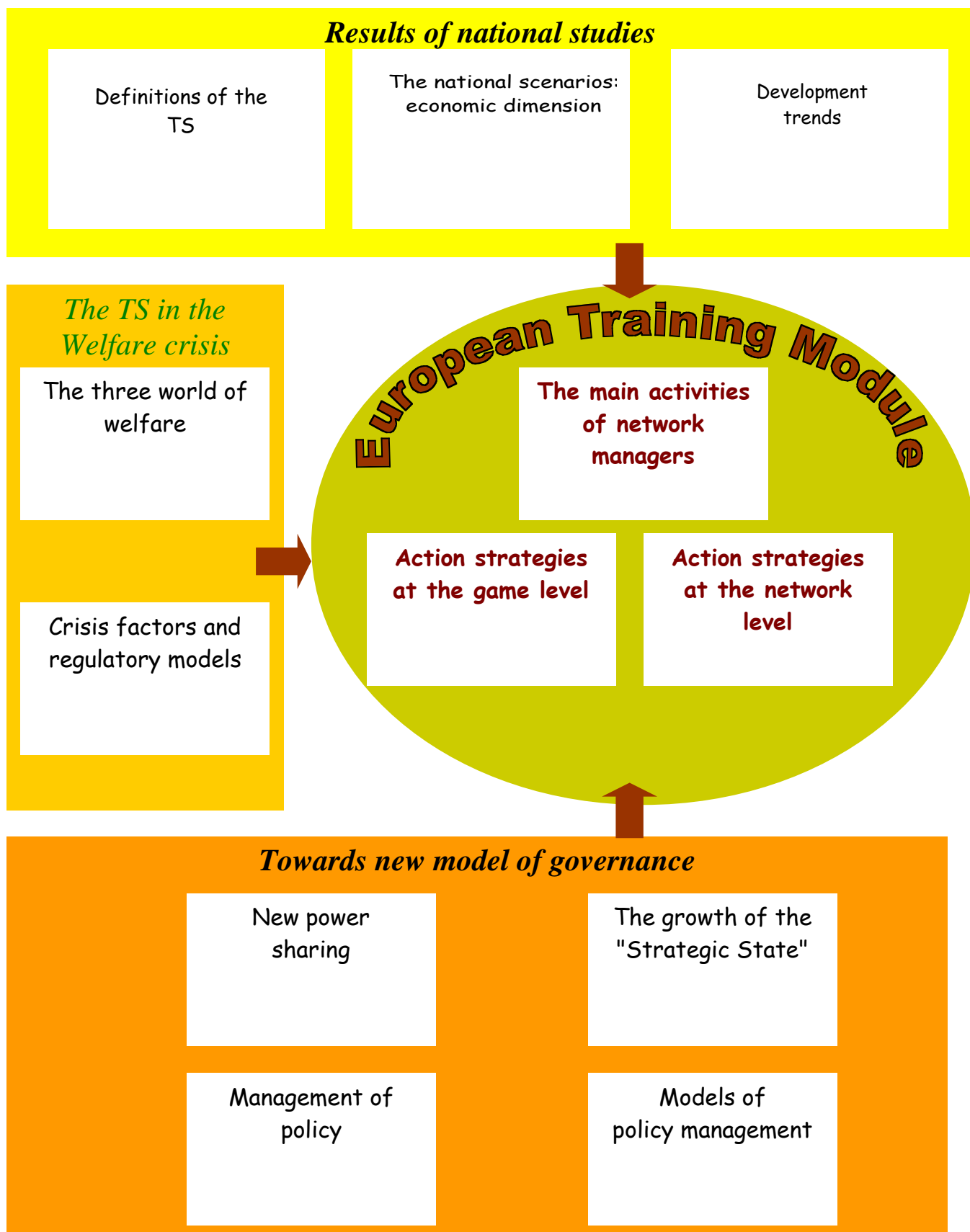
To achieve this we have used two main reference systems: 1) the transformation of welfare regimes; and 2) the transformation of models of governance and we are again looking for confirmation of the common trends that are emerging. From these analyses it is possible to build up a picture of those activities that are becoming increasingly important for the TS in a European-wide context.

We argue that the processes of innovation in welfare and public regulatory systems, provide new development opportunities for the TS. To realise these new opportunities, the TS itself requires modernisation in terms of strategies, competences, skills and operating styles. These newly developing activities then form the basis from which a training module can be developed which would have a European relevance.

The activities identified are essentially of a facilitatory nature and occur at two levels, one of which focuses on the provision of TS goods (the game level) while the other concerns the maintenance of the newly developing structure itself (the network level). In identifying and classifying such activities, the report also considers the abilities required for their effective performance, and it is the development of such abilities that, we suggest, will need to form the core of the training module. The application of FCAM by five of the partners in the project forms the next stage in the process of confirming these training needs.



## Logical framework (sintex)





## Logical framework 1

### Results of national studies

Definitions of the TS

The national scenarios: economic dimension

Development trends

### The TS in the Welfare crisis

	LIBERAL	SOCIAL- DEMOCRATIC	CONSERVATIVE
Family Role	Marginal	Marginal	Central
Market Role	Central	Marginal	Marginal
State Role	Marginal	Central	Subsidiary
Solidarity mainly located in	Market	State	Family
Degree of removal from the market	Low	High	High for principal bread winner
Tendencies in the Third Sector	Isomorphism towards the market	Isomorphism towards the state	Isomorphism towards the state
Main risks for TS	Marketization	Bureaucratization	Bureaucratization

### Crisis factors and regulatory models

Demographic ageing of the population

Instability of the family

Bad functioning of the labour market

Unemployment/inequality dilemma

Crisis of traditional models of regulation based on the centrality of a single actor (market or state)

**GROWTH OF INTERDEPENDENCY  
IN RELATIONSHIPS**

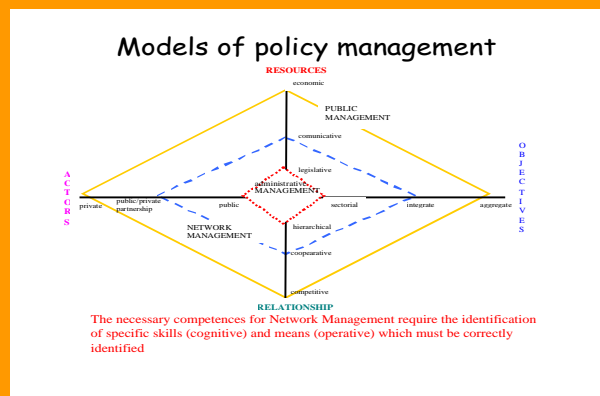
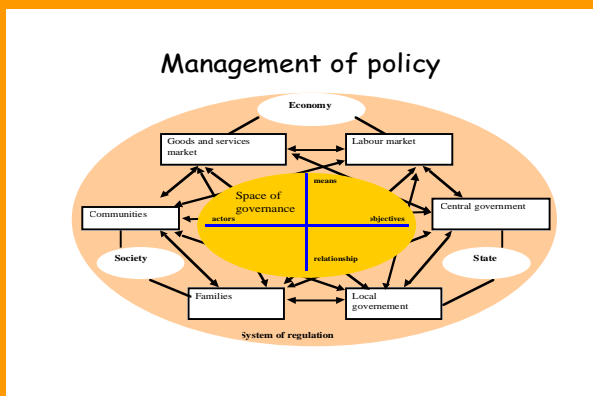
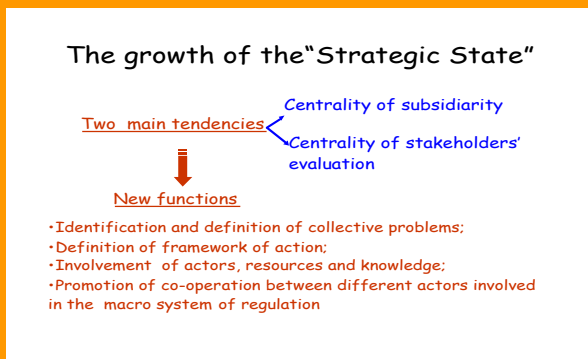
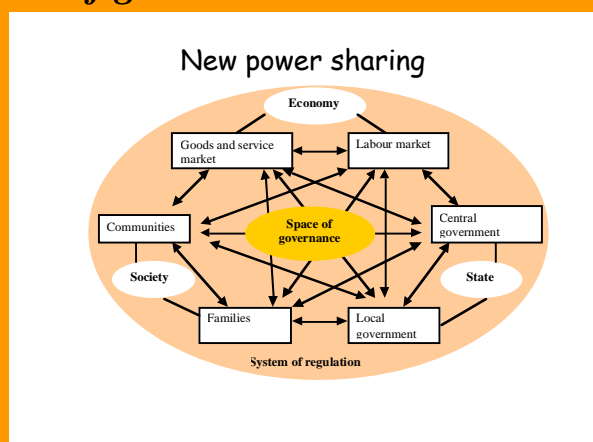
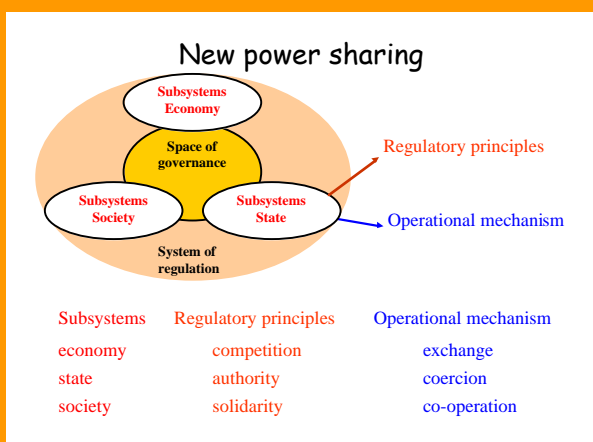




## Logical framework 2



### Towards new model of governance





## Logical framework 3





## Introduction

This report summarises the main results of a comparative analysis carried out during the second phase of the EuroSet project. The work started with the first transnational meeting held in Rome in January 2002 and was finalised following the second meeting which was held in Brussels 26-27-28 June 2002.

The purpose of the report is to give indications of those development trends in the TS which will be of use in deciding the how to plan a European Training module. The report starts by synthesising the national reports and analyses the developments described so as to identify such common needs as may be incorporated in a training module applicable at European level. It continues with a comparative analysis carried out by *Polity* that analyses theoretical models of TS relationships and, in general terms, aims at analysing and testing the relationship between the TS and the public sector, rather than that between the TS and the social system. To achieve this we have used two main reference systems: 1) the transformation of *welfare* regimes; and 2) the transformation of models of *governance* and we are again looking for confirmation of the common trends that are emerging. From these analyses it is possible to build up a picture of those activities that are becoming increasingly important for the TS in a European-wide context. We argue that the processes of innovation in welfare and public regulatory systems, provide new development opportunities for the TS. To realise these new opportunities, the TS itself requires modernisation in terms of strategies, competencies, skills and operating styles. These newly developing activities then form the basis from which a training module can be developed which would have a European



relevance. The activities identified are essentially of a facilitatory nature and occur at two levels, one of which focuses on the provision of TS goods (the game level) while the other concerns the maintenance of the newly developing structure itself (the network level). In identifying and classifying such activities, the report also considers the abilities required for their effective performance, and it is the development of such abilities that, we suggest, will need to form the core of the training module. The application of FACM by five of the partners in the project forms the next stage in the process of confirming these training needs.

To sum up then, this integrative report is divided into 4 main parts. In the first we present the *highlights* of the national studies, while in the second we deal with the main processes of change concerning national *welfare* regimes in which the operation of the TS itself is based. The third part concerns innovative trends within models of *governance* where *non-profits* play a role, and finally the fourth part where we identify the main functions of new TS action strategies and where it could be useful to start bringing strategic competencies to the fore by using FCAM.

Polity gratefully acknowledge the work of each national partner and for their helpful views and comments which were taken in account in drawing up this report, however, none of them bears responsibility for any errors in this report or for its interpretation. Responsibility for the content of this report rests with Polity alone.





## 1. The results of the national studies

The main objective of this comparative analysis is to reconstruct the political and organizational framework in which the Third Sector operates in the different European countries

To be able to design a detailed model of action within the Third Sector, *Polity* identified some basic dimensions for the comparison which the national partners could use to carry out research activities.

This survey was implemented by drawing up concise national reports (15- 20 pages) which were divided into four main sections as follows:

- *Definition of the Third Sector* = In this section attention was paid to the choice of criteria for defining organizations within the Third Sector.
- *National scenarios* = In the second section national scenarios were reconstructed, with particular regard to economic aspects (economic weight of TS, number of TSOs, its financial composition, its primary activity sector etc.); institutional and legal aspects (competent Ministries, departments, authorities, agencies, extent of decentralisation towards local government, main national and local law, setc.); historical and cultural aspects (history and origins of the national Third Sector, political and social cultures).
- *Existing national welfare systems* = in this section we collected all the necessary information to compare the different models of national welfare systems. In particular we tried to identify: a) *the policy actors* in welfare national policies; b) *the policy targets* in traditional welfare



sectors (social assistance, health and education); c) the main *instruments* used by public actors; d) the relationships between welfare policy actors.

- *Developments trends* = possible national development trends and the main challenge for the TS were analysed in each national report in the last section.

### *1.1. Definitions of the Third Sector*

Usually the term “Third Sector” and the expression “non-profit” indicate those private economic enterprises that do not plan a redistribution of profits to their members. As a matter of fact, the activity aims at producing an economic value, but such a value is usually reinvested in pursuit of its legitimate goals. However, this type of enterprise can look like a normal profit-making business unit as far as management models, market performance and success criteria are concerned. The central aspect of the non-profit concept lies in the mix of efficiency criteria and social values.

This concept has a different degree of development in the various national contexts. In Italy, for example, we have only recently begun to speak of non-profit enterprises. On the other hand, they are widespread and well rooted in the economic and social life of the United States, the country from where we imported this concept. Non-profit enterprises are legally recognised, are a major subject of public regulation and enjoy remarkable financial support, both from private donations and tax benefits.

The “non-profit” concept tends though to be used in an excessively broad and generic sense, to indicate extremely diverse forms of association, organisations and kinds of activity:



religious communities, amateur clubs, research foundations, monothematic associations, providers and users co-operatives, self-help groups, banking foundations, etc.

This lack of uniformity was a problem we wanted to investigate, redefining the relationship between the Third Sector and the different features of welfare regimes within the European context. A paradoxical situation then arose because, while the importance of the Third Sector has been increasing, at the same time, the possibility of defining it in a clear and organic way has been decreasing.

In general, support is given to a thesis according to which the development of the non-profit sector was historically caused by a twofold failure: the failure of the market, with regard to specific kinds of social provisions; and the failure of the state, with respect to the inefficiency and inadequacy of its actions.

From an historical point of view, the expansion of the non-profit economic sector was due to the spreading of neo-liberal deregulation policies, beginning at the end of the 70's. These policies dictated a reorganisation of many sectors, in all industrial societies, with a decrease in the direct intervention of the state and a complementary renewal importance for social self-regulation and self-organisation. New possibilities for economic profit and non-profit initiatives then appeared. In the United States - this is an extreme case - private prisons spread (non-profit of course) indicating the radical nature of this process. This development must then be linked with the kinds of distributive action by the state, expressed above all in the Welfare system.

Practically all the national studies by our partners in the European project start by underlining the traditional difficulty of



providing an unequivocal definition of the TS. This is a difficulty which regards both the macro analytical level, or rather that which refers to the relationship between the TS and the other two principal actors in social regulation (the State and the Market), and the mezzo-analytical level where we refer to the identification of those defining criteria used to select associations which can be properly located in the TS. It is therefore inevitable that such uncertainty has repercussions on any micro-analysis which aims to highlight the operational characteristics of the TS. From a micro-analytical point of view, first of all, the weakness of the concept of the TS itself becomes evident. We are dealing with a residual category, defined negatively, or rather a pigeonhole containing all that cannot be categorised as belonging to the State or to the Market. As a consequence, we are talking about a category that does not manage to clearly isolate a specific part of the social reality. Different approaches are, in general, inevitable. The Danish EuroSet partner, for example, underlines that in order to carry out a correct analysis of the operation of welfare systems it would also be opportune to consider the role played by the 4th sector, representing the family. Esping-Anderson, in a recent update of his studies on welfare regimes (*The Social Foundations of Post Industrial Economies*, 1999), identifies only the three fundamental institutions as the market, the state and the family. He considers the TS as a sort of semi public agency directly associated with the state. This distinction, in reality, is not particularly relevant and does not detract from the basic description he gives of the crisis in present regulatory systems or welfare regimes where single actors are no longer able to satisfy social demand.

In the same vein, the reflection of Swedish EuroSet partner on the relationship between the TS and the state



appears particularly interesting. They ask themselves how one can consider non profits as “organisationally separate” from the state if they then represent its main financier. Starting from such considerations we can suggest a definition of the TS that can be largely superimposed on the “social economy” or rather on a group of activities, directed towards mainly social objectives, which are carried out by non-profit motivated organisations. We are talking about a definition that, apart from communitarian connotations, is close to the idea of the TS as a producer of “relational goods” and to that suggested by Italian partner based on the Italian tradition of “relational sociology” described by P.P.Donati. In both cases the type of goods produced would be specifically characteristic of the TS and not, in the strict sense, of its organisational or institutional features. In this case the TS would be immediately called upon to perform functions linked to the protection and promotion of common goods. In the wider context such issues seem to be part of a long running history of a growing separation between public sector and state, in the sense that not all that is in the public realm should automatically be considered as having been created by the state. This separation constitutes a fundamental presupposition for the recognition of an insoluble partnership role for the TS in the development of welfare, often despite the fact that it is also used in support of a radical reduction of state involvement in the social services, and their commercialisation and privatisation.

From the point of view of the mezzo-analysis, there is a general consensus among the partners to use Salamon and Anheir’s “structural operational definition” as the operative reference for the project. As everyone knows, TS organisations are characterised by an institutional presence and structure, an institutional separation from the state, a not profit distribution, a self governance (they are fundamentally in control of their own



affairs), the presence of volunteers (membership is not legally required and they attract some level of voluntary contribution of time or money).

### *1.2. National scenarios*

As we have said the reconstruction and analysis of the national scenarios has been developed along three main dimensions: economic, institutional and historical.

Economic dimension = the data collected by our different partners does not lend itself to a systematic comparison (different sources, different indicators, different units of measure, references to differing chronological periods etc.), but does allow us to isolate sufficiently precise characteristics in each case. Everywhere the TS seems to be identified with large numbers of associations and staff (both employed and voluntary), but with a low economic profile (lower than 2% of GDP, with the exception of Spain where TS expenditure – taking account of voluntary work – amounts to about 5% of GDP, and of Germany where this is 3.9%). A type of small organisation seems prevalent (with the exception of the Czech Republic where membership per organisation averages 150) with limited economic resources and a strong presence of unpaid voluntary work. The financial analysis shows the prevalence of resources coming from the public sector (Germany, Ireland, Sweden and Denmark) and income comes in the form of fees or services (Czech Republic, Slovenia, Spain). The level of donations is substantially limited in all countries. This picture gives a view of a TS that must develop itself economically and, bearing in mind its small organisational



size, must develop a strategic partnership capacity both internally and with the public sector.

Institutional and normative dimensions = the diversity of legal systems and cultures among the different countries does not allow a systematic comparison of institutional and legal structures in this sector. In every case a high level of institutional fragmentation was recorded (a multiplicity of public actors involved in the regulation of the TS) as well as in the normative field (an absence of a general set of rules for the TS as such). We are dealing with a fragmentation which clearly mirrors the strongly differentiated character of TS organisations and the multiplicity of areas in which they operate.

Historical/Cultural dimension = leaving aside the charitable organisations which existed in the pre- modern world, the fundamental starting point for the development of what we today define as the TS can be traced back to between the XVIII and the XIX centuries when the processes of industrialisation and urbanisation had their effect on the social fabric of the then nascent, post-feudal society. Religious associations and those of working class solidarity came into being to tackle the problems of the new and emerging “social question”. These associations increasingly tended to become institutionalised in the course of the XX century, starting to become one of the principal actors in national welfare systems during the ‘60s and ‘70s. The financial crisis of the social state in the ‘80s tended to give a growing importance to the TS, considered a useful instrument whereby public expenditure could be reduced by delegating services and functions to outside bodies. In the course of the last decade the TS has tended to acquire (although in different ways at different times and with different characteristics) the role not only of provider of



goods or services but also of partner in the formulation of welfare policy within the general framework of a logic which calls for “*the citizens as partners*”, supported by the OECD and the European Union itself.

### *1.3. Models of the Welfare State*

In the national reports, the part relating to the different models of welfare regulation was only partially considered. It is interesting to note, however, that in the three reports which do give major consideration to such questions (Ireland, Slovenia and Germany), a multiplicity of actors are involved in the provision of services and a high level of problems exists in the relationships between these same actors. This in turn determines a growing importance for co-operative partnership relationships to exist between the institutions and the TS, but it is difficult for these to acquire a clearly recognisable form and, above all, a clear operative definition. This aspect suggests that we should consider the transformation of welfare systems and models of public regulation much more deeply (see part 2).

### *1.4. Development tendencies in the TS*

The analysis of development tendencies in the TS in different the countries represents one of the most interesting analytical parts of the national studies. We will see the situation in each country.



In this country a further economic development and a growing contribution to social and political development is foreseen for the TS. The importance of financing





through fees and the sale of services is growing. The demand for social services is increasing and the role of the public sector is decreasing. The principal risks are the bureaucratisation and commercialisation of the TS. The TS's capacity to show that it is capable of operating effectively and efficiently in the public interest is becoming central. The growth of donations will continue to be vital for the TS so that it can ensure its independence from the market and the public sector. More generally, the TS needs to learn how to deal with growing supra-national power (first of all with the EU). Overall, the social impact of TS activities is so relevant that the TS cannot function without thinking of itself as a fundamental public sector partner (sometimes collaborating, other times functioning as a true and proper institutional substitute).



At the moment many Danes are working in voluntary organisations and they tend to identify themselves more with the activity of the organisations than with the idea of “volunteering”. This means that the TS has a weak role in terms in defining a collective identity. In Denmark traditionally TSOs work with public support, but two interlinked aspects are new: first is the availability of European funds and second is the idea of partnership as an instrument for developing the different projects and activities. These partnerships also involve the different levels of government (State, Counties and Municipalities), and they tend to promote the creation of an “umbrella” of fundraising organisations to co-ordinate fund raising. In general terms data and research for a clear identification of the developments trends in the system of relationships between TSOs and between TSOs and political sector are not available.



The central point is to clearly identify what are the TS's aims and objectives. In this context, the tendency to reduce the weight and role of the public sector in welfare policy was also indicated. It is fundamental to know "who does what" in social health care and what type of knowledge the operators must have, but also how the public sector performs its supervisory duties. There is a need to understand clearly who is responsible for the different activities. Other crucial issues refer to a clear definition of which activities should be included in the TS and which should remain outside. The key discussion is about the identification of TS "tasks". Central importance is given to "voluntary work" which, however, still remains too internal and too little external to the organisations.



The state tends to entrust ever more public sector responsibility to the TS and that implies a growing reduction in responsibility for the public sector itself. The state tends to take on functions of a "regulatory" type and to give precedence to forms of accreditation of associations. In this context it becomes important for the TS to safeguard its own identity and autonomy.



The national study indicates some specific points of difficulty for the TS in the Czech Republic. *Financing*: an insufficient system of public financing, incidental and unplanned financing, the criteria for financing are not always clear, there is an excessive dependence on state financing. *Normative regulation* : insufficient and barely developed, fiscal regulation excessively



onerous, civic associations have their lives complicated by different norms. *Relations with the public sector*: the government has no clear and explicit idea about its relationship with the TS. *Relations between TSOs* = the methods of financing TSOs create tensions between the different organisations, there is a weakness in infrastructure provision and a *lack of communications* at local level.



In the last decade the country has opened itself up to capitalist economic competition and that has weakened existing forms of interpersonal solidarity and produced new forms of poverty and exclusion. The idea of a need to develop an “*integrated dependence*” appears particularly interesting. This concept is characterised by a low level of state control over the TS, a medium level of financing for it on the part of the public sector, and a high level of communication and partnership between it and the public sector. From the point of view of operator competence, it would seem necessary to find ways of integrating knowledge, organisational methods and work practises for those working in the TS.



The centrality of the TS and of voluntary contemporary welfare is absolutely evident. There will be a need to think in the future about a diversification of welfare strategies rather than about dismantling them. The fundamental role of the TS is linked to its “*symbiotic*” relationship with the state.



It seems complicated to identify TS development tendencies in Germany with any clarity. We imagine, however, that the TS will also continue to grow as a consequence of the extension of the subsidiarity principle and



of the growing importance attached to “*active citizenship*”. In general, there seem to be two different possible ways that the German TS may react to the reduction in public resources: 1) the development of market oriented strategies; 2) following a fund raising or sponsorship strategy.

The following main points emerge from our reconstruction of TS development trends in the different countries:

- A general relative reduction in public sector resources available for welfare policies
- A constant or growing demand for goods, services and social assistance help
- A growing importance for the TS in the management and provision of welfare services
- The problem of a clear definition of *accountability* with respect to welfare services
- The centrality of financial autonomy for the TS
- The centrality of relationships with the public sector
- The need to develop action strategies of a collaborative nature both with the public sector and within the TS
- The inadequacy of traditional models for managing services in both the private sector and in public bodies
- The need for new professional competence
- The need for a better definition of the idea of *social partnership*, which risks becoming only a symbolic and mythical term.

We can classify these developments in four main categories, that are summarised in the following table:



DEMAND FOR SERVICES AND GOODS	Growing demand for socio-assistance goods and services
	Growing importance of the TS in management and supply of welfare services
RESOURCE AND FINANCING	Centrality of financial autonomy of the TS
TRENDS IN THE PUBLIC SECTOR	Widespread reduction of public resources for welfare policy
	Problem of accountability for welfare services
INTER-INSTITUTIONAL RELATIONS	Centrality of relationships with the public sector
	Necessity of co-operative strategies between the TS and the public sector and between TSOs
	Necessity of a clearer definition of the idea of social partnership

These development trends pose different challenges for the TS in each country that we can define in a synthetic manner:



How can the TS avoid the risks of over-bureaucratiation and over-commercialization?



How can the TS build an identity – group for its members?



Sweden



How can we identify the main mission of the TS?

Italy



How can the TS protect its autonomy from public sector?

Czech Republic



How can the TS reduce its dependency on public financing?

Slovenia



How can the TS develop the idea of “integrated dependence”?

Ireland



How can the TS develop a useful partnership with the State?

Germany



How can the TS make a choice between market oriented strategies or sponsorship?



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Alltogether trends and challenges have sufficient clarity to outline a picture in which the TS assumes the role of a fundamental actor both in the *formulation* of welfare policy and in its subsequent *implementation*, against a background of a generalised contraction of the economic–financial resources available and a progressive blurring of the boundaries between the TS and the State.

The fundamental problem that we therefore have to tackle is “what are the competencies of this TS ?”

To reply fully to this question we need to take into consideration: the transformation of welfare systems and co-related innovations in models of *governance*.



## **2. The TS in the welfare crisis**

Two keypoints arise from a first reflection on the relationship between the Welfare State, undergoing a redefinition, and the role played by the Third Sector. First, welfare reform must be understood as a chance to redefine a solidarity model for complex societies rather than as a problem of costs and of management mechanisms. Second, within this context it is fundamental to include the strategic issues aimed at developing new citizenship rights at the crossroads between institutions, the market and civil society.

The provisions of goods and services originating from the Third Sector is therefore not incompatible with an existing market provision, nor is it a marginal economy, protected by public powers. One of the problems our research would like to solve concerns the characteristics, the extent and impact of interaction processes between public customers and non-profit organizations. It is not any more or not only just, a matter of “quantity and structure” of citizenship, nor is it a matter of resources. It means redesigning the boundaries of Welfare and identifying the policy actors who potentially promote original kinds of solidarity.

We have to pay attention to what Giddens calls “ policy of life”, meant as a capability to draw up and implement projects, activating social networks and differentiating cultural models. The non-profit universe is potentially the partner and the privileged addressee of this policy. Public policies, i.e. the real instruments addressing this perspective, are numerous and have different legal aspects.





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## 2.1 Welfare regimes

In our analysis of the different welfare systems containing TS activities we take Esping Andersen's distinction between welfare state, welfare policies and welfare regimes as our starting point although, as we have already said, not all his theory is relevant to our purpose.

We are dealing with concepts that are often considered interchangeable but that, in reality, are very different. Welfare policies (or social policies) indicate collective policy actions that are created and put into action in response to a particular social risk. The welfare state refers to an institutionalisation of social policies, or rather, an assumption on the part of the state of a responsibility for protecting its own citizens from the different social risks that they may run during their lifetime. The idea of a welfare regime, instead, refers to a definition of the ways by which the interdependent institutions of state, family and market share out the production of welfare.

State, market and family deal with social risks according to different criteria, above all using different principles for their actions. Within the family, the allocation of resources to meet social risks is prevalently based on reciprocity and solidarity, in the market this allocation is governed by monetary exchange relationships, while in the state such an allocation is chiefly based on the principle of authority. Each of these three institutions therefore deals with social risks in different ways and the production of welfare is linked, at a general level, to the reciprocal interdependence of the activity systems of these three actors.

These distinctions appear important and useful to enable us to reflect on the contemporary welfare crisis. In particular,



they make us realise that what appears as a crisis in the welfare state refers, in reality, to a wider crisis of the institutional structure (state, market and family) that regulates the operation of our economic and political systems. New demands and new problems are putting the traditional structure of the different welfare regimes in a state of crisis.

This appears essential for the Euroset project because it allows us to examine the complete framework within which the TS operates, or rather to examine a widespread crisis in the main mechanisms of social, political and economic regulation in post industrial society.

## *2.2 The three worlds of welfare*

In reality, such a framework assumes features that can be differentiated according to the different welfare traditions and, although not all countries (Ireland for example) fit neatly into one or other category, can be usefully synthesised as follows. Traditionally these features are described in relation to two fundamental dimensions: 1) the extent to which the provision of services is removed from the market (or, the greater or lesser recourse to the market to produce welfare goods) 2) the principle forms that interpersonal solidarity take. These two dimensions are traditionally used in the literature to classify:

**a liberal regime** = typical of the Anglo-Saxon world (the US, Canada, Australia, New Zealand and in large measure the United Kingdom). It tends to reduce the state's obligations for the production of welfare to a minimum, to the identification of risks. Its main characteristics are: its residual nature (it is highly selective in identifying those eligible for social benefits);



that it reduces the number of risks which are considered social (or rather, are considered relevant for the well being of its own population); and that it stimulates and encourages market intervention. It is interesting to note that such a model inevitably tends to generate dualisms: while individuals who are at low or moderate risk are pushed to fend for themselves in the market, those at high risk can become welfare “dependants”.

**a social-democratic regime** = typical of the Scandinavian democracies (Denmark, Sweden, Norway and Finland). It is based on the principle of the universality of services and widens the range of risks considered “social”. Rights to assistance are founded on the same idea as citizenship and it encourages a wide distancing of assistance from the market, or in other words, it tends to limit recourse to the market.

**a conservative regime** = the use of the adjective conservative does not imply any value judgement, but refers to the historical origins of this welfare regime (state centred, monarchical, corporative) typical of the countries of continental Europe (Germany, Austria, France and, in part, Italy). It is a system with a corporate nature that differentiates social protection according to professional and employment grades and, to a high degree, to family considerations. It gives the family a central role in fostering and protecting interpersonal solidarity. Recourse to the market is substantially limited.

These three contexts generate different types of relationship between the state, the market and the TS that, in their turn, oblige the TS to set up different strategies for its activities. In the case of liberal regimes, the TS inevitably finds itself exposed to a great extent to competitive situations (both with profit motivated organisations and with those of a non



profit nature) for the provision of welfare goods and services. In the case of social-democratic and conservative regimes, a collaborative relationship tends to prevail (and often financial dependence) with the state.

The main differences between these three welfare regimes and TS tendencies are synthesized in the following table:

	LIBERAL	SOCIAL- DEMOCRATIC	CONSERVATIVE
Family Role	Marginal	Marginal	Central
Market Role	Central	Marginal	Marginal
State Role	Marginal	Central	Subsidiary
Solidarity mainly located in	Market	State	Family
Degree of removal from the market	Low	High	High for principal bread winner
Tendencies in the Third Sector	Isomorphism towards the market	Isomorphism towards the state	Isomorphism towards the state
Main risks for TS	Marketization	Bureaucratization	Bureaucratization

Source: Our restructuring of Esping Andersen 1999

### *2.3. The “perennial crisis” of the welfare state*

The welfare state – even in its heyday (the ‘50s and ‘60s) – appears constantly undermined by significant crisis factors. Until the ‘80s we had “internal” crises in the welfare state that were linked to its poor performance or to its inability to foresee the unexpected effects of its public policy decisions. The most evident symptom of such processes is represented by the situation in the ‘70s and ‘80s when, faced with the problems posed by an economy in deep recession and with high levels of inflation and unemployment, the overburden of



functions on national governments pushed them towards a lowering of performance levels for welfare institutions that, in its turn, caused a further increase in demand for goods and services, thus creating a true and proper vicious circle of operative inefficiency.

The situation in the '90s was completely different when, instead, a crisis developed caused by shocks that were exogenous with respect to the social state. New forms of global economic competition forced a growing flexibility in productive cycles, which in its turn determined a growth in unemployment levels for the less qualified and, therefore, an increase in inequality in the labour market. To this process was added a crisis in the “third leg” of welfare regimes, that of the family. While the family remains important, its ability to perform its traditional role has changed. It has become more nuclear, its female members often have jobs or careers, and it has been influenced by a change of life cycle and, in some countries, by plummeting rates of fertility. Attempts to address the problem of a rapidly declining reproductive rate are themselves indicators of the existence of a crisis which has arisen not only because the family has changed size and form but, most clearly, because it has become ever more unstable as a provider of solidarity.

#### *2.4. Crisis factors new policies and regulatory models*

Demographic ageing, instability of the family and the malfunctioning of the labour market are therefore the factors in a crisis that concerns welfare regimes rather than the social state in the strict sense. The unemployment / inequality dilemma shows the inadequacy of traditional regulatory models



based only on the market (in the case of the USA: low unemployment, but 15% of workers are paid below the poverty threshold) and those based only on the state (in the case of the EU: a solid system of welfare guarantees, but with about 15 million unemployed).

This situation shows that the traditional centrality of single actors like the state or the market is in crisis as the example of the employment / equality dilemma shows. There is, therefore, a need for a new type of social and economic regulation, and that which seems to be emerging is a mixed actor system.

This process is traditionally linked with the fiscal crises of the '70s and is taken as the origin of the progressive supplanting of the Keynesian state, of the reform of welfare systems, of the restructuring of the administrative apparatus and as the first stimulus to depart from the distributive policies typical of the post war years. But this description does not explain with sufficient clarity the role of the powerful processes of productive restructuring based on large investment in scientific, technological and organisational resources. These processes in their turn went on, at the end of the decade, to orientate the economic systems of the developed western democracies towards new forms of commercial competitiveness. Meeting public demand for goods and services and their inevitable apparatus of rules, procedures, duties and prohibitions became useless if not also damaging for the economic actors. The direct production of goods and services on the part of public enterprises, in turn, progressively lost ground from the point of view of convenience and economic rationality. New forms of competition put pressure on reducing the length of time between the creation of an



innovative idea and its realisation, both for products and processes, on production orientated towards “just in time”, on the personalisation of the goods on offer, on the capacity of advertising to break into new markets, and above all on the growing reduction in the number of production and administrative centres for businesses that tended to become “virtual”. This dynamic saw a strong acceleration with the further development of information technology that, besides giving an increasing financial aspect to the economy, pushed decisively towards the globalisation of markets. Against this background, the state was required to be “minimal” or “modest” or, at most, to assume the role of “regulator”, defending free competition itself.

Contemporary globalisation processes represent a further historical line of fracture in the situation. Globalisation, from a political viewpoint, indicates a progressive process of reducing the sovereignty of individual nation states that cede chunks of decisional power upwards (supra-national institutions), downwards (regional or local institutions) and horizontally (functional autonomy). This situation corresponds to a loss of efficiency in those instruments used to regulate and supervise some important policies (for example, fiscal, environmental or immigration) that tend to be ever more strongly conditioned by networks of trans-national actors and their action strategies, identities, interests and values. Therefore, not only does politics lose its centrality with respect to the economy, but the centre of political action is no longer occupied by a central state apparatus in the strict sense. Alongside this process, local contexts and local powers to take decisions assume a growing importance.



Globalisation influences the growth of interconnections between markets, but at the same time, gives life to differentiation, fragmentation and diversification. We are dealing with two elements (generalisation and atomisation) that cannot be separated and that lead towards polycentric forms of social and political organisation, or if you prefer, to forms that have no single decisional centre. The traditional institutional and organisational forms of the state are breaking up and seem to be losing the power to regulate the globalised economy that, as Habermas recently noted, manages to extricate itself from any action by a regulatory state. From the point of view of the functioning of public administrations, the general tendency to pass from monolithic institutional structures to much more articulated ones finds reference in decentralisation (in continental administrations) and in privatisation (in Anglo-Saxon ones) or in both. Everywhere and in every case the orientation of administrative action towards the achievement of results tends to take the place of attention only to the formal rules. The multiplication of actors generates a true and proper institutional puzzle in which any central control of activities is rendered impossible by the same fragmentation and interdependence of the different subjects that are present in an ever more overcrowded policy arena.

Therefore, taken altogether these elements explain the transition from conditional, distributive and sector policies, typical of the post war period, to purposeful, re-distributive and inter-sector policies that are summed up as “second generation” policies. These were slowly confirmed during the course of the last decade and, as already underlined, call for new management and evaluational instruments.





Such policies, independent of the sector in which they are applied, share the need to minimise the co-ordination of interests and involve widely different actors both in the formulation stage of a policy and in that of its implementation. The making of such policies is characterised by a strong dynamism and by a growing interdependence of resources and of both public and private actors, with respect both to traditional forms of hierarchical co-ordination and competitive aggregation that are showing their limitations. Quite simply, the absolute centrality of the *governance* of wide and complex policy networks is now emerging, and these are characterised by multiple relationships between interdependent actors. Such actors are constantly engaged in system of reciprocal interaction by virtue of their ability to exchange goods and to negotiate common goals and objectives. Within this system the interactions are regulated by jointly defined and agreed norms.

*Co-regulation, cooperative management, public-private partnership* are only different ways of addressing one form of policy *management*, a form that tends to be a practical alternative to hierarchy and to the market as an instrument for allocating goods and resources.

The definition of the competencies on which to build the proposal for a *European Training Module* cannot therefore fail to take account of the fact that the welfare regime crisis brings to the forefront a wider crisis in traditional economic and social regulatory models based on the centrality of a single actor (state or market). Relationship systems are modifying themselves in the sense that there is a growing interdependence in the objectives, in the resources used and in the action strategies of single regulatory actors. In order to achieve a better examination of the competences necessary for



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effective participation, it would be useful to analyse those innovations that have major significance in contemporary systems of public policy *governance*.

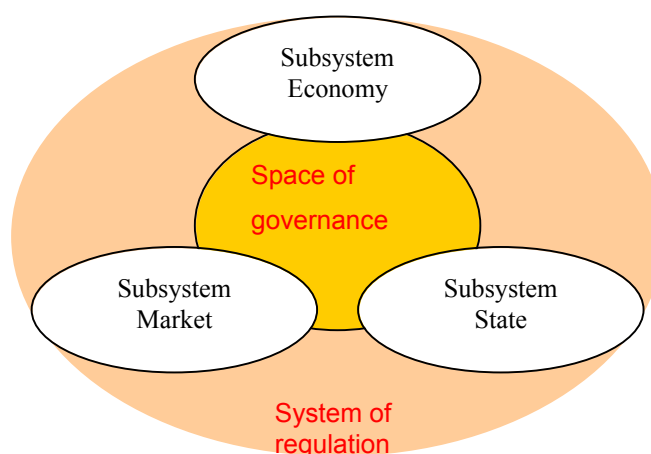


### 3. Towards new models of governance

#### 3.1 New power sharing

The transformation of economic and social regulatory models, in its turn, determines the change of *governance* models, that is, “of the ways of co-ordinating the individual actions that make up the social order itself” (Mayntz, *New Challenges to Governance Theory*, in "Rivista Italiana di Scienza Politica", n. 1, 1999), or in yet more specific terms, the characteristics of a new “way of managing public sector action, distinct from hierarchical control and characterized by a major degree of co-operation between the state and non-state actors within mixed public-private decisional networks” (Mayntz 1999). Governance, therefore, describes the results of the process of *governing* carried out by social, political, administrative and economic actors in response to collectively relevant problems, with the production of welfare in prime position.

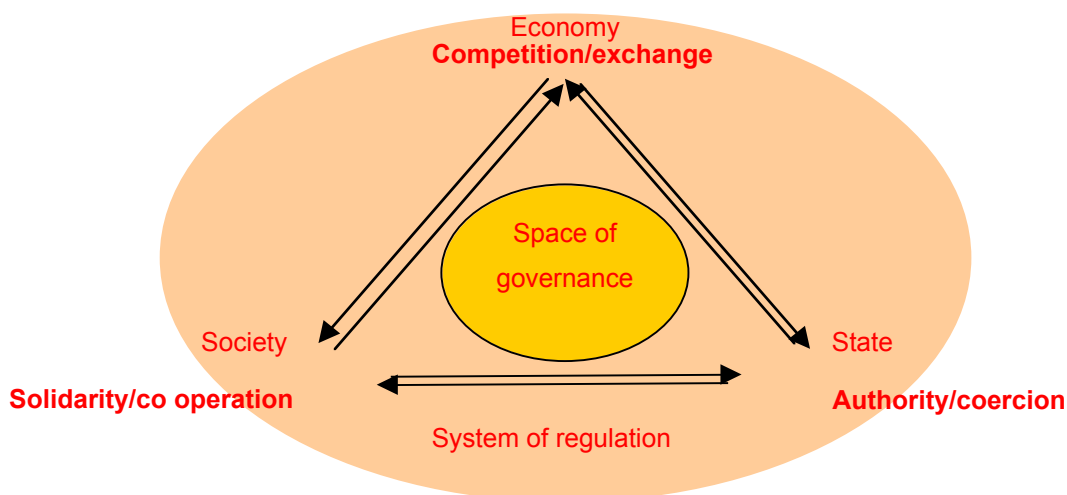
The area in which the processes of *governance* take shape can be illustrated in the following terms:





Three principal subsystems operate within a wider system of economic and social regulation, each of which is governed by a specific regulatory principle and by an equally well-defined operational mechanism. By regulatory principle we mean the basic value that guides the actions of the different actors in the reference subsystem, while the operational mechanism describes the chief mode of interaction between the actors. In the case of the economic subsystem, the chief principle is represented by *competition* with *exchange* as its corresponding specific operational mechanism. In the social subsystem, a principle of organic solidarity (following the functional differentiation typical of modernisation) is accompanied by the *interpersonal co-operation* mechanism, while in the state subsystem a principle of *authority* prevails which makes reference to a *coercion* mechanism by means of rules and norms.

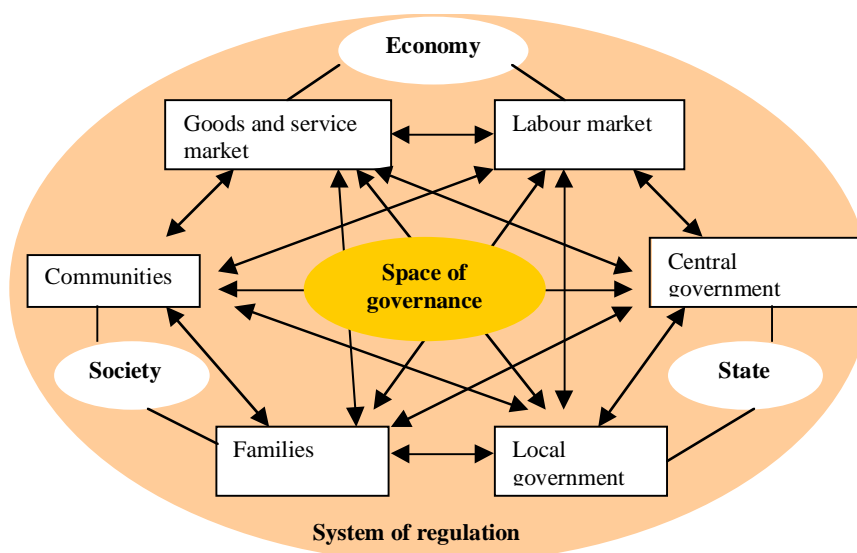
Obviously we are talking about an illustration of a much more complex reality, in which regulatory principles and operational mechanisms are not definable in such a rigidly dogmatic manner but which represent the extremes of variables that change along a logical *continuum*, as analytically represented in the following figure:





Here we are trying to say that if the overall functioning of the regulatory system depends on the interaction of the three subsystems, then the area of governance describes the ambit in which it is possible to build the tools for the management of the interaction between the subsystems themselves.

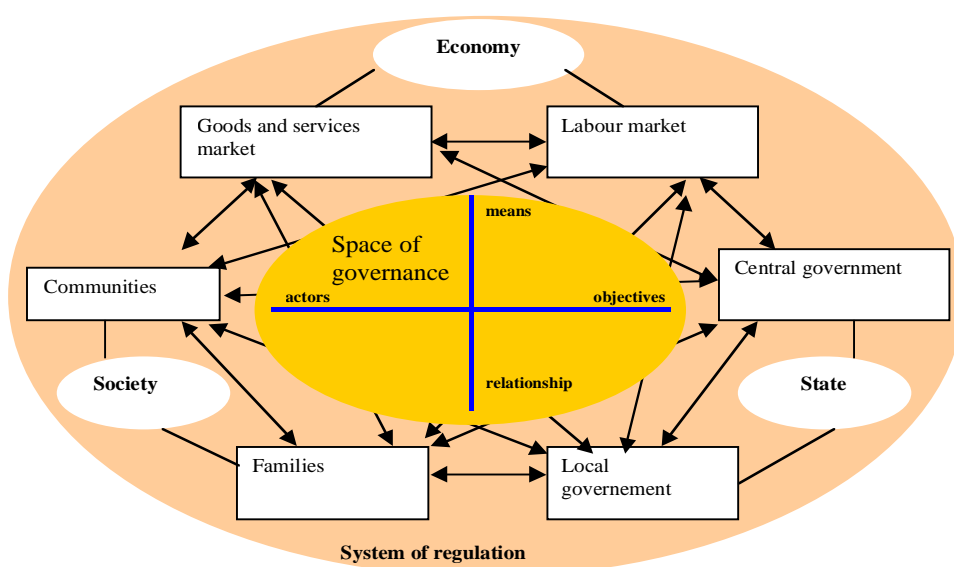
Today, every subsystem can also be further broken down. It is possible, by way of example, to think of the economy in terms of a product /service market and a labour market, of society as an aggregation of families and communities, of the state as a collection of central and local powers. For each of these sub-groupings, in turn, can refer to further groupings at a lower level.



What emerges is a regulatory system that is highly *fragmented* (characterized by a multiplicity of actors), *diversified* (specialised functioning), *dynamic* (tending to change) and *complex* (characterised by the great number of possible relationships), in which no univocal regulatory principle prevails (and probably cannot prevail).



In this way we can outline a “distributed power” (power sharing) and ether system type of regulation, characterized by hierarchies and variable geometry. Bearing in mind 1) that the regulatory principles and the operational mechanisms of single systems have continuous ranges of variations between their identified dichotomous polarities, and b) that single subsystems can be subject to further subdivision (we have given only some examples), we have the regulatory system and its correlated area of governance assuming a form of the type:



in which the *governance* area becomes the point of articulation of a system of multiple relationships characterised by a high dispersion of decisional power.

### 3.2 The growth of the “strategic state”

Looking at regulation from the point of view of the functioning of the state, two principle lines of development become clear. The first refers to a growing orientation towards forms of subsidiarity, both vertical (towards supranational and sub-national levels of government) and horizontal (towards



what are, in the strictest sense, non-institutional actors). The second line of development, strongly connected to the first, refers to the growing importance that processes evaluating the institutional actions of public policy *stakeholders* are assuming. The state therefore tends to lose its gatekeeper functions in order to assume the role of facilitator of interactions, of promoter of forms of co-ordination based on the mutual suitability of the actions of different interactive actors, and of initiator of learning processes and of institutional innovation. We outline a “*strategic state*” whose principal functions refer to the definition of collectively relevant problems, to the definition of frameworks of action, to the activation of resources, actors and knowledge, and to the promotion of co-operation between the different subjects present in the regulatory macro-system.

This implies the abandonment of the traditional top-down logic in the making of public sector decisions in favour of “communicative” strategies, or of the strengthening of the capacity to “listen and discuss” with civil society. The state is, therefore, called upon to ensure that “*information is complete, objective, reliable, relevant, easy to find and to understand; consultation has clear goals and rules defining the limits of the exercise and government’s obligation to account for its use of citizens’ input; participation provides sufficient time and flexibility to allow for the emergence of new ideas and proposals by citizens as well as mechanisms for their integration into government policy-making processes*” (OECD, *Citizens as Partners*, 2001).

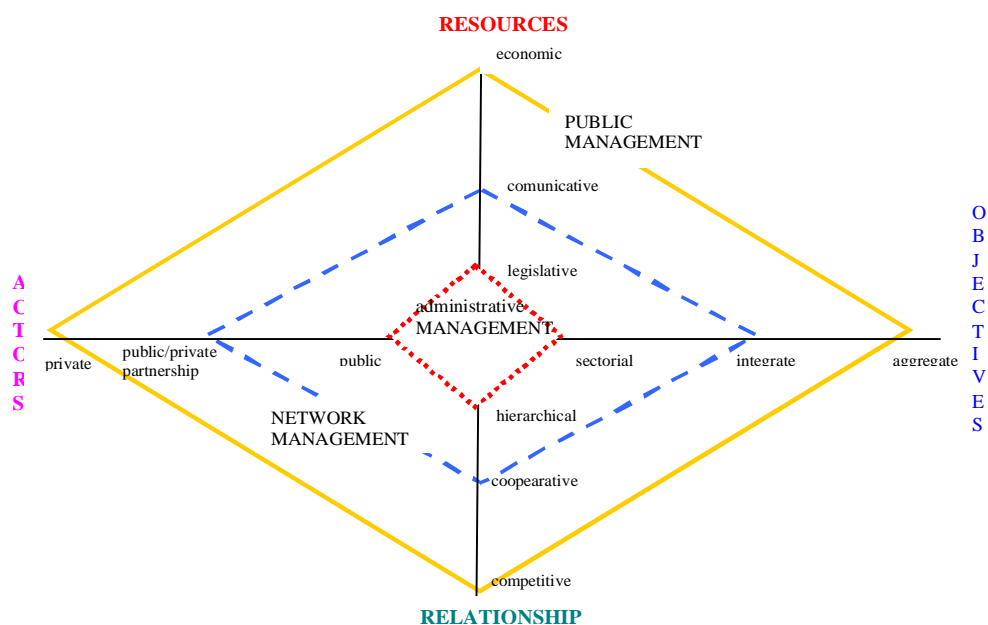
### 3.3 *The management of policies*

The sum total of these changes gives a very clear description of the transition from the centrality of *government* to that of *governance* and introduces the problem of identifying



effective tools for the management of wide and complex *policy networks* into the same *governance* space. This space, therefore, becomes the place in which concrete ways of managing the multiple relationships between interdependent actors take shape. Such actors are constantly engaged in a system of reciprocal interaction by virtue of their ability to exchange resources and to negotiate common aims and action objectives. If we assume that the product of such interactions is represented by public policy in general and by those of welfare in particular, then we can consider that policy management constitutes the instrument with which to organise and “manage” the fragmentation, the diversification, the dynamic and the complexity of the regulatory system.

The chief actors, their objectives, their reciprocal relations and the instruments used in the resolution of specific policy problems constitute the principal variables of policy management, and can be graphically represented in the following form:







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### *3.4 Forms of policy management and the centrality of the network paradigm*

We can, essentially, find three main types of actor in the management of policy: those that are in the strict sense public, those that are private, and private-public partnerships. Such actors may, furthermore, pursue objectives of a strictly sector related type (or limited to a single operational sector: health, assistance, employment etc.) or of an integrated type (based on the involvement of wider *communities* than those operating in a specific operational sector) and finally of an aggregated nature (based on the pooling of different private interests). The relationships between these actors may develop in a hierarchical, co-operative or competitive manner, while the chief resources for the activity may be of a legislative, communicative and economic type.

Three types of management emerge from the interchange between actors and objectives, and resources and relationships, and are represented in an abstract form in the following figure that leaves aside the effective mix that might be found in individual cases.

*Administrative management* offers us the most traditional model, although this is also the one from which the public sector, especially in Europe, now tends to distance itself. It is used by bureaucracies to create policies using legislative resources to regulate specific problems, together with a system of hierarchical relationships that should ensure that the decisions taken are adequately carried out.

Alongside this first model is a second, one widely found above all in Anglo-Saxon (liberal) countries, that can be summed up as having a tendency to reduce the role of the



state every time that this seems possible. A philosophy of *new public management* has developed along such lines, providing for the participation of private operators who in their own interests introduce a “value for money” logic into the processes of policy implementation, thereby influencing the regulation of specific sector related policies.

The third model, that based on *network management* (approximating to the Scandinavian but also the Dutch models) indicates, instead, the point where the main innovative experiences in the public sector have arrived. The development of this model, which is organised around a combination of different bureaucracies and markets, started in the seventies and marked a more or less decisive distancing from their respective original characteristics.

In this last model there is a prevalence of public/private partnership co-existence, a tendency to for different actors to co-operate with each other to achieve objectives of an integrated nature, and a central position is given to communicative resources. In other words, the model appears to be capable of dealing with those elements of fragmentation, diversification, dynamism and complexity of the regulatory macro-system previously indicated. It is, therefore, potentially able to act in an effective and efficient way.

Such evolutionary tendencies open, in short, a true and proper “window of opportunity” for the TS that, by virtue of its own distinctive characteristics, seems capable of playing a fundamental role in the dynamic of *network management*.

We need, therefore, to pass from an analysis of regulatory models to the identification of the specific competencies that operators in the TS must possess to be able



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to participate and to promote new forms of network management. Competencies that must be defined first of all in terms of cognitive ability and operative tools.



#### **4. Strategies and competencies for Network Management**

Since the project requires us to use a method of competence analysis already tried and proven by CEIS (FCAM), it would seem useful to identify what the principal functions of the TS might be – in terms of managing networks – so as to have them in mind when we conduct our investigation with FCAM. From this aspect, we could consider the TS as a whole as a “community of practices”. A community of practices is confirmed when a particular group of actors use certain *instruments* to carry out equally well defined *tasks* with a view to achieving specific *goals*. The drive towards such common goals constitutes the *identity* of this same community of practices. The overall way of organising these different elements (instruments, tasks, goals, identity) defines the *style of action* of the community.

The TS could, therefore, be thought of as a community of practises defined by a style of action based on NM. To test this style of action we need to identify in an analytical way what the principal activities are that make up NM, and what the basic levels of operation are in the management of the network.

##### *4.1 The principle activities in NM*

In general terms, NM refers to three principle activities.

The first refers to the activation of network relationships, or in other words, the overtaking of the self-referential function of individual organisations. That is to say to base operational efficiency not on an intra-organisational logic but on an inter-organisational one. The idea is to take action to widen the number of relationships among the different organisations that make up the TS.



The second activity, directly linked to the first, refers to the *promotion of co-operation*, or to the construction of consensus about common objectives and goals. To co-operate with common objectives in view is the same as acting to build zero sum games, reducing the *free riding* strategies of different organisations that operate in the network. This is to say, to base *productive efficiency (economic)* not on the competitive mechanism, but on that of the integration of resources.

The last of NM's typical activities concerns *joint problem solving*, or developing the collective capacity for *problem solving*. This implies basing *cognitive efficiency* on the diffusion and horizontal transmission of information and knowledge and not on using them for instrumental reasons.

To understand how such activities can be put into practice in a concrete way, we must consider the different levels that we can allocate to the operations occurring in the network.

#### *4.2 The principle levels of operation*

The activities described can take place at two main levels: a) *game level*, and b) *network level*. The first concerns the interaction dynamic between nodal points in the network. The *game* level, in fact, is made up of a sequential chain of actions that develop – in relation to a decision or to a relevant issue – among different actors on the basis of rules (formal and informal) and on the basis of the views and knowledge of the situation provided by those actors interested in the game. The network level, instead, regards the structural characteristics of the network, that is, its composition and shape.



When a network encounters situations of decisional impasse, operational stall, tension and conflict, and communicational blockage, its ability to promote co-operation is jeopardised and, therefore, we need to know at which level it can operate. The choice is not simple because it presupposes possession of a considerable amount of information about the actors involved (what their interests, strategies and reference values are), about the political and social context in which the interaction is bound up, and about the possibility of being able to use means of mediation and negotiation that useful.

Let us look in detail at what the main action strategies are which can be activated at the different levels, because it is from these that we can construct hypotheses on how to build the TS as a “community of practices” orientated towards NM.

#### *4.3 Action strategies at the game level*

These strategies take shape in an “existing network”, or rather do not intend to modify the structure and characteristics of the network in which they are located. Synthesised descriptions of the main possibilities for actions that can be used at the *game level* to promote co-operative dynamics are given below, and their content should be further substantiated by the investigation carried out using FACM. The principal skill that a network manager should possess is established for each of the individual action strategies.

**Network activation** = we are talking about favouring the selective activation processes of one or more network actors. Whoever performs a network management function can give precedence to direct links between two or more organisations that occupy critical positions in the network. That



person needs to have solid criteria to identify which actor it would be useful to activate. *Principal skill*: the identification of the critical resources that different actors have at their disposal.

**Arranging interaction** = to avoid free riding and the situation of stall that would result from a conflict and its reciprocal vetoes, the manager needs to have mechanisms capable of regulating the conflict. These would be agreed systems for regulating conflicts, that are able to indicate the actions that could be taken in such situations, and the possibility of bringing together differing opinions in choices of general interest. *Principal skill*: consensus building.

**Brokerage** = this activity requires the network manager to play an intermediary role in the system of interaction dynamics that take place in the action network. Brokerage, in its simplest connotation, refers to the possibility of avoiding a situation where the network nodes act exclusively to safeguard their own self-interests. *Principal skill*: the ability to seek mediation.

**Facilitating interaction** = this strategy refers to the ability of the network manager to facilitate interaction processes by the effective diffusion of information and working methods. The circulation of information allows the socialisation of points of view, ideas, values, interests and network actor's perceptions of a situation, thereby limiting any closure to the reciprocal exchange of knowledge. *Principal skill*: the containment of cognitive dissonance.

**Arbitration** = when operating impasses and conflicts cannot be avoided, whoever is called upon to carry out the network management function needs to be able to resolve the conflict, trying to give precedence to the decision that protects



the common interest, or exploring practical alternative solutions. *Principal skill*: impartial judgement.

#### *4.4 Action strategies at the network level*

As we have said, these action strategies intend to modify the nature of the network. We are, therefore, dealing with action strategies that carry serious risks and dangers of confrontation, in so far as the restructuring of the network on new principles (or with new actors) might also lead to a degeneration of the process itself. However, let us look at the main strategy actions and the principal skills connected with them.

**Influencing formal policy** = this form of operation tends to influence the distribution of resources in the network, in a way that modifies the positions of and relationships between the actors in the network. Those actors with greatest resources tend, in fact, to close the door to newcomers, excluding them from policy making or from decision taking. Redistributing resources would therefore mean acting to limit such closures and vetoes. *Principal skill*: assuming control over a certain resource (economic, personnel, information, knowledge, technological etc.).

**Influencing values, norms and perceptions** = the network structure can be modified by influencing not only resources, but also values, and the norms and perceptions that guide individual actor's behaviour. The attempt to influence the symbolic, cultural and knowledge systems which guide actors' behaviour is therefore an action strategy. It passes through processes of framing, reframing and translation. Framing describes the dynamic of selection, organisation, interpretation





and attribution of significance to a particular reality, while reframing describes the operation whereby it tries to overcome the existing interpretative framework. In other words it represents a paradigmatic change. The importance of this action strategy becomes more evident when we consider a further distinction between the network culture and picture we have of individual actors. The actors constantly see themselves and the context in which they operate (the network) from their own specific conceptual viewpoint, consequently modifying the network's cognitive property. At the same time, however, in order to be able to communicate amongst themselves, they try to adapt these self-conceptions to the network culture that, inversely, tries to modify them. This reciprocity can be used, consequently, to vary the action contexts of individual actors, aiming at the cognitive dimension of those network interactions that develop. The operational tools used principally refer to the inclusion of new actors bringing insights from a different world to that of the actors already present in the network, to the development of a common language, and to constantly guarding against any prejudiced exclusion of ideas while, on the contrary, favouring the entry of new ideas and values into the action network. Finally, the action of *translation* refers to the possibility of transferring knowledge and understanding from one context to another. We are talking about the possibility of removing values and learning from one context and replacing them in another. *Principal skill*: classifying problems and action contexts.

**Mobilisation of new coalitions** = using this action strategy, the network manager operates directly on the composition of the network, introducing new actors, changing the position of those present or, in addition, trying to exclude



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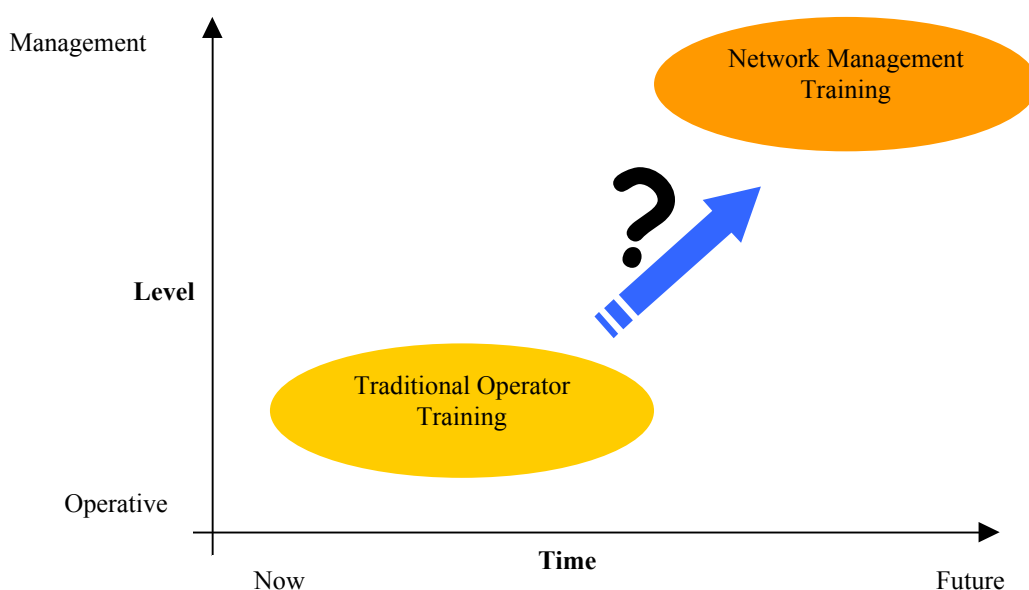
some of them. *Principal skill:* forcing changes into the static nature of the network.

The new regulatory processes are of a co-operative type, based on a type of partnership. Although some TS actors may have rather narrow individual aims and may find themselves competing for scarce resources, the need for the sector as a whole is, and will increasingly be, to “manage” these different competitive demands in a collaborative manner so as to maximise the benefits that the sector can provide. The generally agreed view expressed by the EuroSet partners was that it is this role of regulating such collaboration which increasingly poses a challenge to the TS in the member states of the European Union and which the European Training Module should be aimed at preparing individuals to meet. In order to be able to identify the TS as a fundamental actor and for it to be a “community of practices” that makes NM its principal distinctive competence, the next step needs to be able to deepen these action strategies further by the use of FCAM.



## Conclusion and next steps

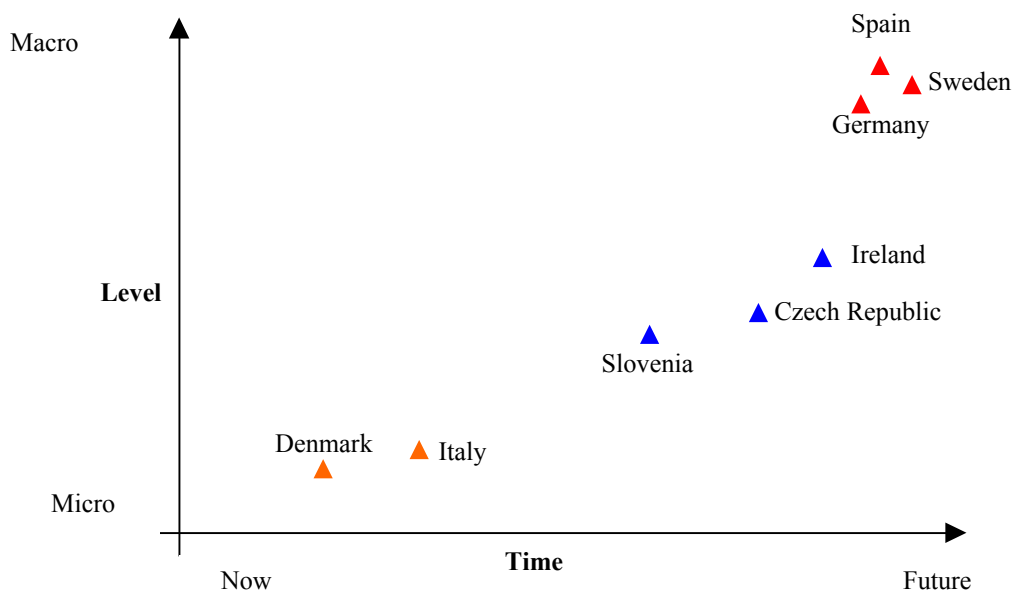
The idea of network management proposed in the integrated report presented by Polity to the Euroset partners raises questions about who the TS European training module should be aimed at and whether this is for current or future needs. These questions revolve around the identification and choice of the “management” of TS relationships as the objective of the module, and whether this is appropriate or not.



There are basically two areas of discussion and these are largely founded on differing approaches to the matter under discussion. On the one hand there are those who concentrate more on the TS as it currently appears to them now whereas others look more at the trends and are therefore more concerned with how the TS might develop in the future. This obviously leads to differing views about the importance of the “management of collaboration” or the “facilitation function” within the TS as a central issue in the proposed training module. At this point it is important to clarify two main



definitions. One concerns the word “management” by which we do not mean management in the business sense, but rather in the sense of facilitating collaboration between the different members of the network. Of course, the idea of a network is close to that of partnership, in that it has a sense of collaboration, but networks and their management have a more operative sense. A second point of clarification concerns the idea of “functional management”, and this arises from the difficulty of defining the TS and whether the TS training module should be seen as aimed at a function or at a specific organisational position, and at what level. Again, those who are accustomed to considering the TS in terms of its organisational structure tend to undervalue the trend towards a collaborative TS which would require skills that are better seen as functional rather than linked to any particular organisational position. Consequently these points raise the question of different modules being needed at a macro and micro level. The different approaches can be illustrated as follows.





Sweden, Germany and Spain all agree that the report is useful because its analysis of the trends clearly lead to “management” of the TS emerging as the proper area of activity for the training module at a European level, and that consequently the project is following the correct line. However, they feel that there is a need for another module to be developed that would deal with common training needs at an individual operator level. There are some reservations from Italy which thinks it is difficult to concentrate on only TS management because roles within the TS are often mixed, but it is suggested in response to this point that the “management” of TS relationships a functional skill which is not linked to any particular organisational role or level. It is perhaps this tendency to concentrate on the present and on the current problems, such as fund raising, that operators are experiencing in the field which form the first obstacle to a common approach among the partners and indeed, as Denmark points out, the report refers to a somewhat theoretical TS which has not yet fully developed. However, all partners recognise that there is a change dynamic in the TS. Ireland recognises that partnership is developing and is being influenced by actors such as the EU, and that there is a need for it to expand to involve other bodies such as the universities for example. This concept of a growing need for partnership is taken up by the Czech Republic and Slovenia who see problems over the provision and division of funds as a prime reason for collaboration. Denmark also recognises that decentralisation indicates a change dynamic even though they have not arrived at a point where the management of competitive collaboration is needed as a TS professional competence. It is therefore generally recognised that the change dynamic exists and is creating a need for partnerships and, for most of the partners, this implies a



growing need to “manage” TS collaboration and that such activity is functional rather than linked to any specific organisational position or level. This, of course, is Polity’s interpretation of the discussion that developed during the second trans-national meeting in Brussels. The definition of the module in terms of a macro activity raises questions about what happens at a micro level, and Denmark is worried that concentration on the macro level risks distancing those involved in the “real” situation and risks producing a module with limited market appeal. Germany however, sees the need for the macro level module recommended by the report and that it should be aimed at a narrow group, with maybe a second module at the micro level for lower level operators. This position is also supported by Spain who believes that professionalism at the micro level comes in part from internal competition. Ireland also expresses concerns about operator training at the micro level.

These considerations show that a deeper analysis is needed in order to ensure a well planned training module. Polity’s contribution in the first two phases has been to define the framework within which this can take place.