

# **State and SSE partnerships in social policy: recent trends and implications for a new 'welfare mix' in Uruguay**

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# The problem and the argument

- *Uruguay has developed policies and programs where SSE actors -mostly NGOs- are having an increasingly important role in the provision of public social services for the poorest*
- **Two questions:**
  - How this is affecting the development of uruguayan SSE? (welfare mix affecting SSE)
  - How is it affecting the possibility of a new “welfare mix” were SSE have a crucial role? (SSE affecting welfare mix)
- **Two hypothesis:**
  - SSE actors are becoming crucial for enabling welfare’s capacity for social integration through different public programs and policies
  - This role of enablers in the welfare’s adjustment could be contributing to the growth of SSE and, at the same time, threatening the sector’s capacity to develop its full potential

# SSE aso social service deliverer: rationale

- A “catalog” of good qualities:
  - a. SSE characteristics:*
    - SSE’s solidarity values as a key advantage for delivering social services that could effectively reach the poorest
    - commitment to service quality, for not having a lucrative anchor
    - capacity to be nearer the beneficiaries and more willing to be receptive to their needs
    - flexibility and innovation ability
  - b. SSE entrance in social policy delivering*
    - diversity and options to citizens,
    - more efficiency and efficacy in the use of resources

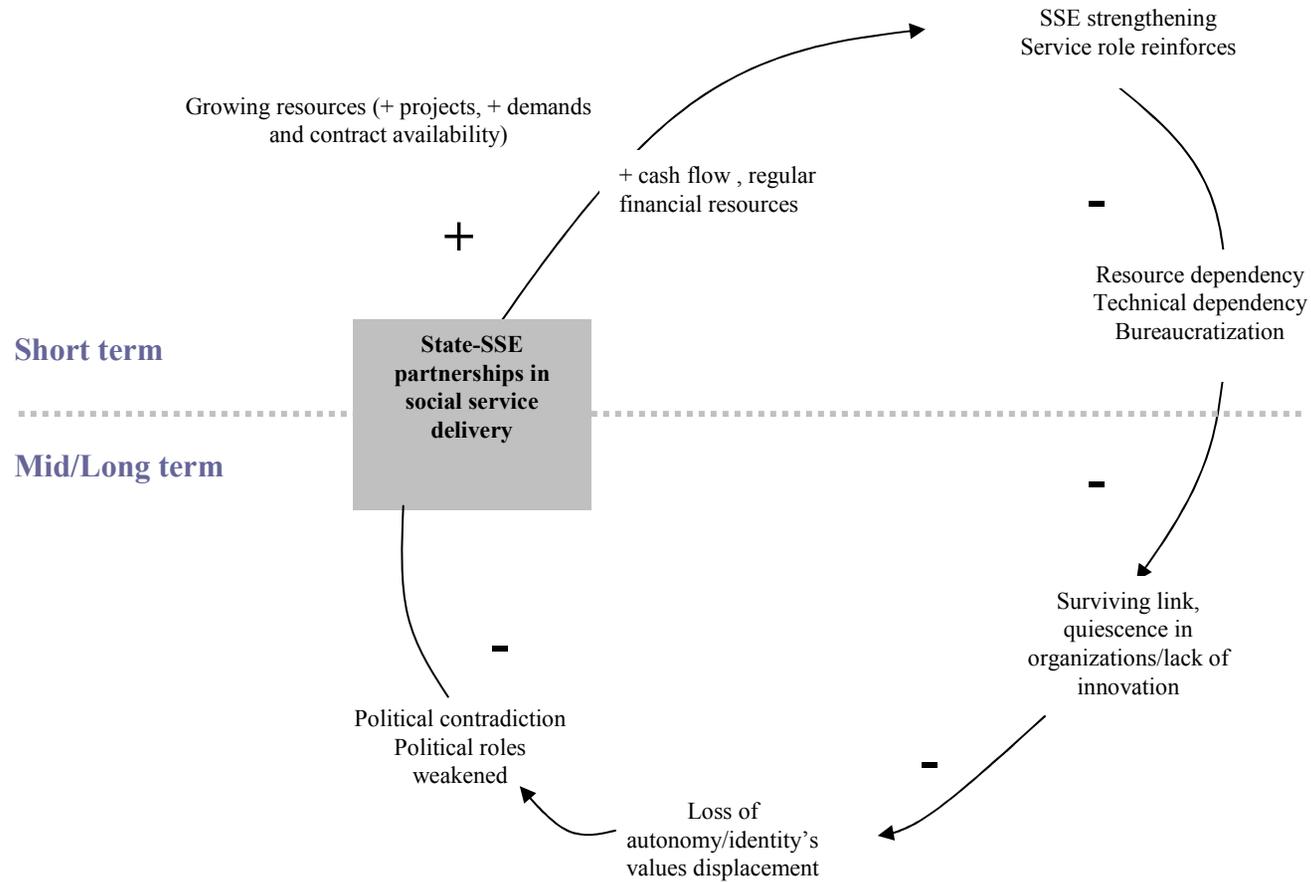
# Welfare change as enabler of SSE: the benefits

- Researchers started observing an increase in the number of organizations willing to get involved in welfare production and a significant growth in SSE, observable in resources –human and monetary, but also in diversity and ‘market share’ in the welfare arena
- At the same time, the ‘field of action’ of SSE:
  - widened
  - started to cross the borders of the policy formulation processes
  - advanced fast towards more professionalism.

# But not everything is good news ...

- **Theoretical and empirical worries about the tensions that might emerge in a scenario of SSE as public services deliverer**
  - Resource competency as a negative influence on the sector's fundamental values, because it undermines the collaborative and solidarity nature of SSE actors
  - Professionalization and formalization processes opens the door for bureaucratization
  - Public administration's rules demanded results in the provision of the services, and SSE organizations tended to be more reluctant to focus on the poorest
  - Economic dependency of state resources, due to shift in the financial sources of organizations –specially NGOs- that results in a complete predominance of state resources, usually on a regular basis :
    - A 'surviving link' producing an asymmetric relationship
    - technical dependence of the SSE from the state,
    - co-optation and quiescence in SSE organizations
    - potential threat to the sector's autonomy and ultimately, it's identity,
  - Advocacy and questioning/political roles of some SSE actors could be undermined because of an overgrowth of the productive role in the context of contracting-out and other types of collaborative partnerships

**Figure 1. Main impacts on SSE when delivering services in partnership with the state**



# **What happened in Uruguay and why could it be a good case for analysis? (i)**

- **Uruguay reflects a specific welfare mix, were SSE actors are involved actively and on stable basis in social service delivery**
  - Long-tradition social protection matrix, based in universal access to basic services, designed to cover the majority of the working population
  - ‘stratified universalism’: coverage to certain benefits was guaranteed almost to everyone, but the conditions for accessing were very stratified.
  - Relatively strong state leading the development process in almost every relevant dimension, with a relatively weak civil society.
  - Structural reforms carried out in the late nineties and early 2000s tended to give other actors – SSE among them- a more important role in the public policy process, specially in the delivery of social services
  - This implied a fundamental breakdown in the tradition of social protection predominant in the historical tradition of the country
  - The discourse for reforming welfare states and administration was partially the trigger of the accelerated increase of contract’s availability for SSE actors in Uruguay.

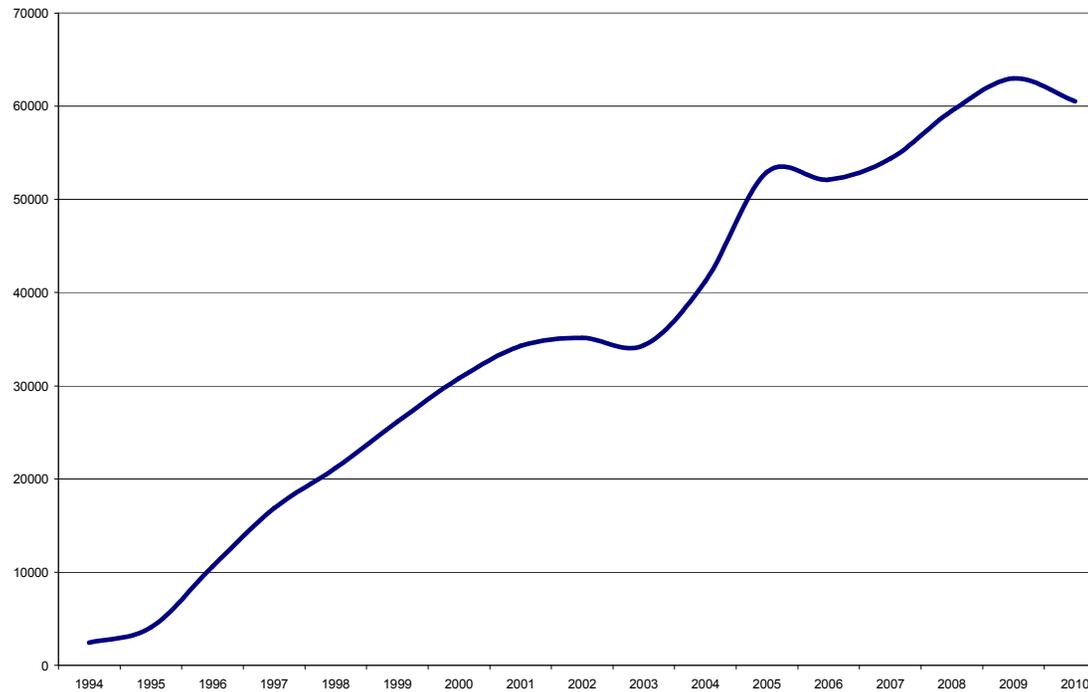
# What happened in Uruguay and why could it be a good case for analysis? (ii)

- Main features of collaboration:
  - (i) a methodological specification of the service that was to be provided,
  - (ii) financing of the 100% of the service costs
  - (iii) technical specifications of the personnel that should work in the service,
  - (iv) renewable contracts, usually yearly but with a high stability,
  - (v) regular administrative controls to the organizations,
  - (vi) competition process for assigning contracts

# From 'retrenchment allies' to 'welfare's adjustment enablers'?

- Recent trends:
  - Political changes, with the main left party ruling since 2005
  - An effort to react to growing exclusion of certain population groups
  - Main efforts in these new initiatives are those relying on the SSE for delivering, and sometimes even designing, those services

**Graph 1. Number of beneficiaries on public social services delivered by SSE actors directly to children and adolescents. Evolution, 1994-2010.**



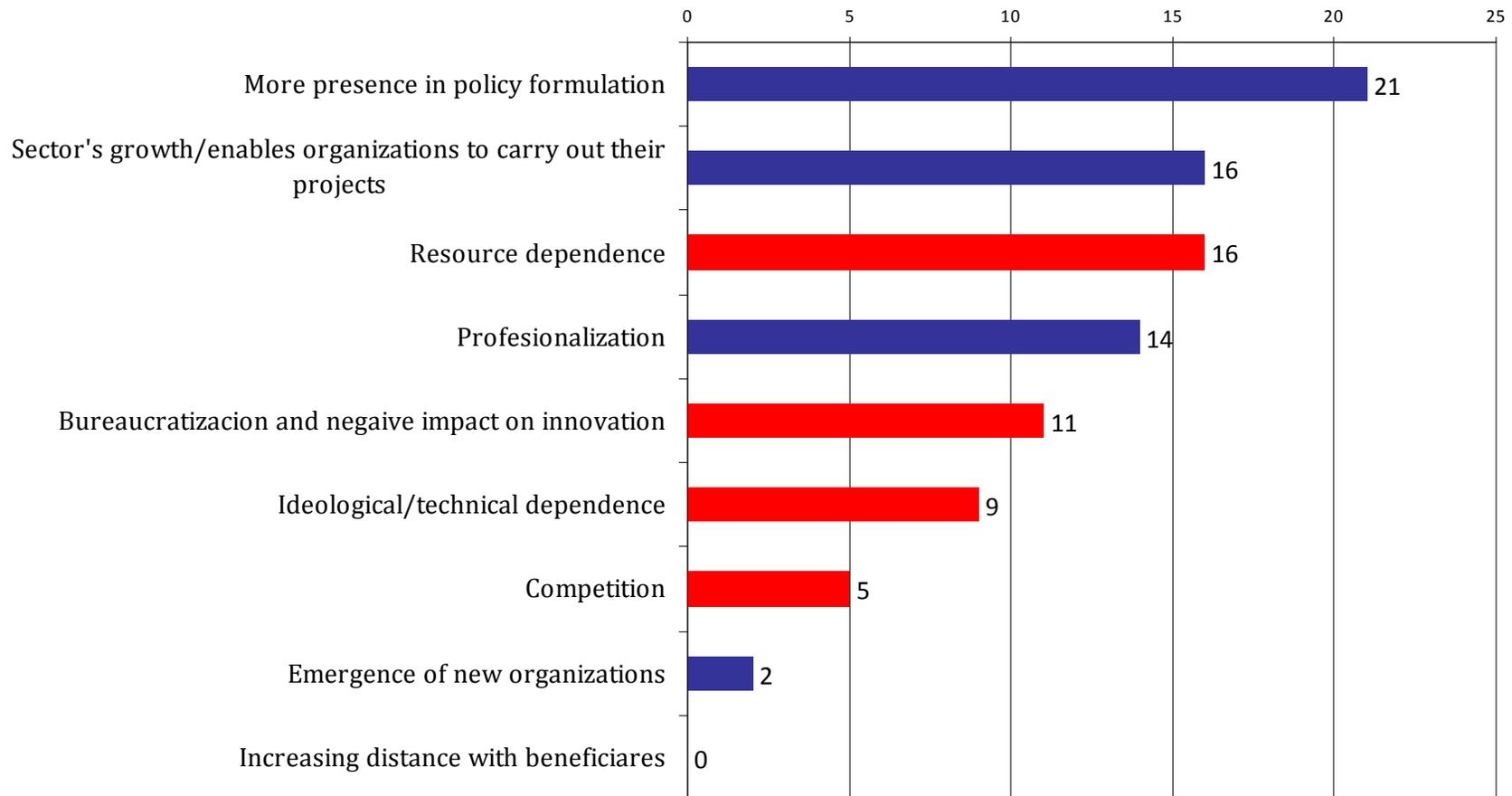
Source: Author's elaboration basing on Midaglia, Antía & Castillo (2009), Rossel (2011) and INAU's and Minsitry of Social Development Annual Reports.

The trajectory of the involvement of SSE actors in delivering social services in Uruguay led them to have a crucial role in the inclusion of groups or new problems/risks left out from the integration channels.

This trend, in fact, didn't reverse in the last 18 years, and seems to be getting strongest with time

# Policy partnerships for child vulnerability: welfare enablers, but SSE enablers?

Graph 2. SSE actors: Identified impacts from their participation in partnerships with the state in service delivering.



# Political sustainability and implications for a new welfare mix (i)

- Uruguay SSE-state partnerships are enabling expansion of the welfare services for some groups of the population
- It is less clear if this is, at the same time, an enabling environment for SSE development and strengthening.
  - the set of negative impacts that the research and SSE actors themselves are perceiving should be taken as an alert when projecting on the political sustainability of partnerships
  - this poses a doubt on the relevance of these weaknesses by discussing some of the obstacles to the possibility of SSE actors to reach the potentialities and advantages they are supposed to bring to social service delivery
  - it could be worrying if resource dependency, competition, routine finally head to the same place: loss of independence and autonomy, loss of innovation capacity, weakening of political roles, vanishing of the sector's solidarity values and non-lucrative essence.

# Political sustainability and implications for a new welfare mix (ii)

- With this evidence:
  - it is reasonable to hypothesize that these new state/SSE partnerships are not necessarily a solid base for a politically sustainable new form of Uruguayan 'welfare mix', I we part from the idea that to be politically sustainable a welfare mix counting on the SSE requires it to be, if not strong, relatively solid.
  - SSE-state partnerships seem more like a solution for organizations to survive and the state to by-pass its rigid structure that a path for enabling SSE development and strengthening
  - partnerships are affecting more negatively than positively SSE development, if we assume that equals the expansion of the sector's capabilities in the services roles, but also in the advocacy, solidarity and political ones.
- From a more general point of view, the model developed in Uruguay is more close to an outsourcing process that doesn't expect from the SSE nothing but its implementing function.
- The fact that this feature hasn't really changed since the origins of partnerships could be a sign of the real political relevance the SSE has in the welfare equation, despite the resources that receives from the state of the number of beneficiaries that covers in public social services