



Canolfan Llywodraethiant Cymru
Wales Governance Centre



Structurally Excluded?

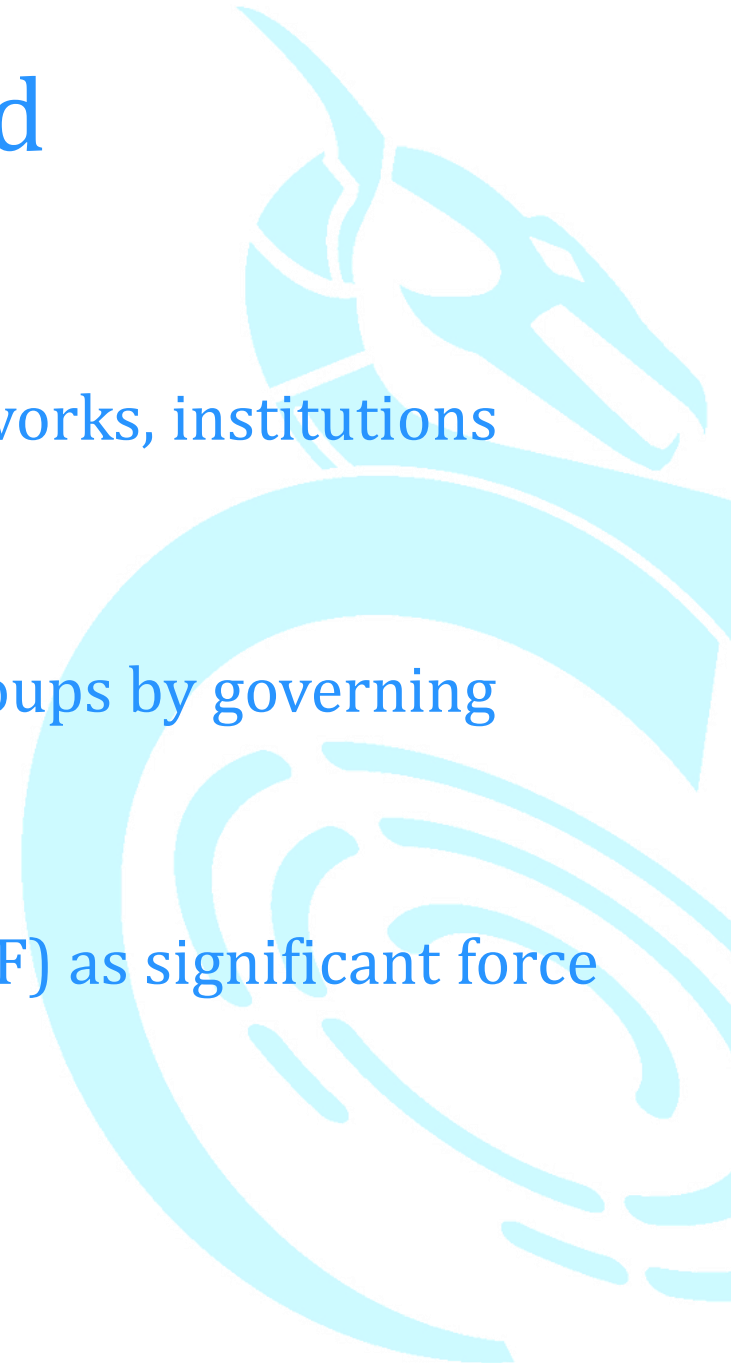
Structural embeddedness and civil society
competition for European Social Funds in Wales

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Background

- Part of a larger case study into networks, institutions and civil society in Wales
- Focus on funding of civil society groups by governing bodies
- Focus on European Social Fund (ESF) as significant force in Welsh civil society funding



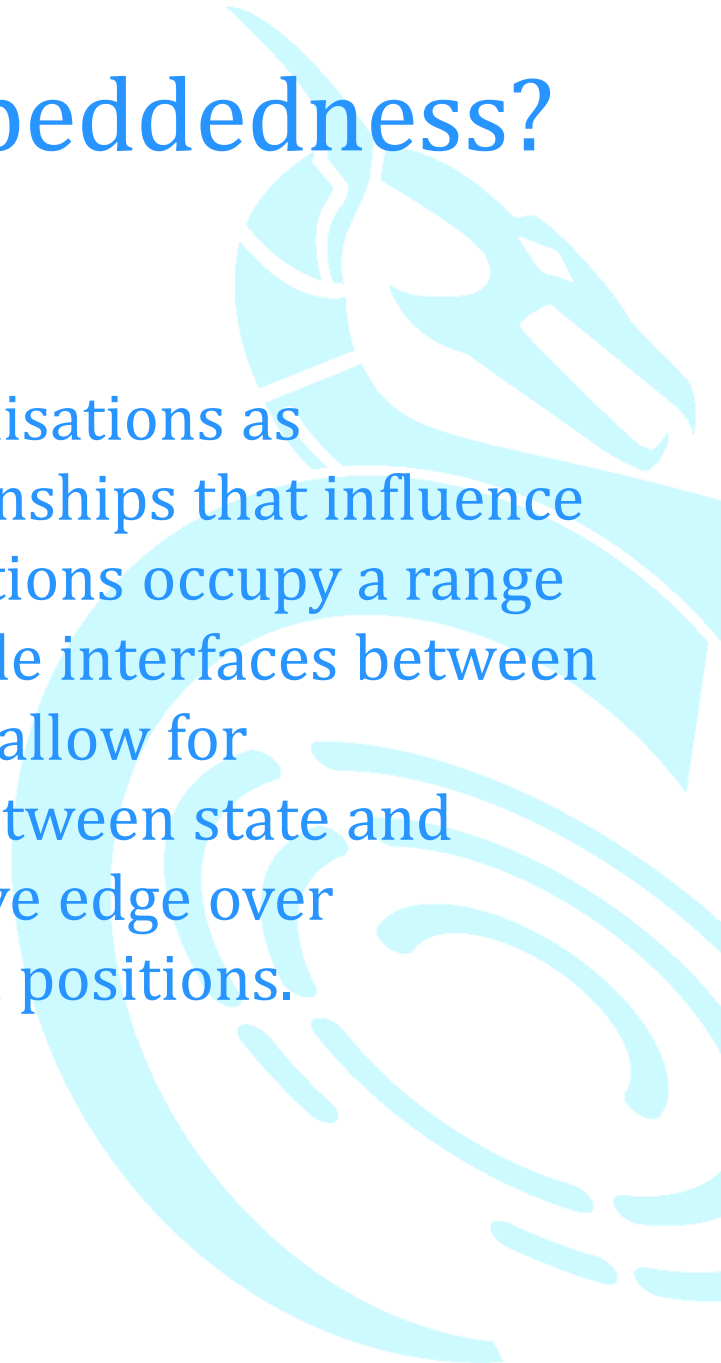
Why Structural Embeddedness?

- Within the larger study, some civil society organisations appeared numerous times in partnerships, as grant recipients, as consultation responders and as members of advisory boards
- These organisations often appeared successful in acquiring ESF funds and membership of ESF partnerships
- A theory of structural embeddedness was used to explain this



What is Structural Embeddedness?

Structural embeddedness views organisations as embedded within a network of relationships that influence their competitive behaviour. Organisations occupy a range of informational positions at permeable interfaces between state and sector. These positions both allow for institutionalisation of relationships between state and organisation, and provide a competitive edge over organisations not in key informational positions.



The Literature

- Network & SE literature: Granovetter (1992), Hager et al (2004), Huang & Provan (2007), Kenis & Oerlemans (2008)
- Civil society & partnership literature: Huxham & Vangen (2005), Royles (2006), Shortall (2004)



The Research

- Qualitative Case Study of one project partnership, Welsh Government, European Commission & wider Welsh civil society organisations
- 35 semi-structured interviews
- Wide range of documentary evidence



Structurally embedded success

- Using the SE literature to analyse the testimonies collected, it was clear that organisations considered to be structurally embedded were more successful at gaining ESF funds and becoming project partners
- Conversely, organisations not structurally embedded struggled to access the 2007-2014 ESF programmes

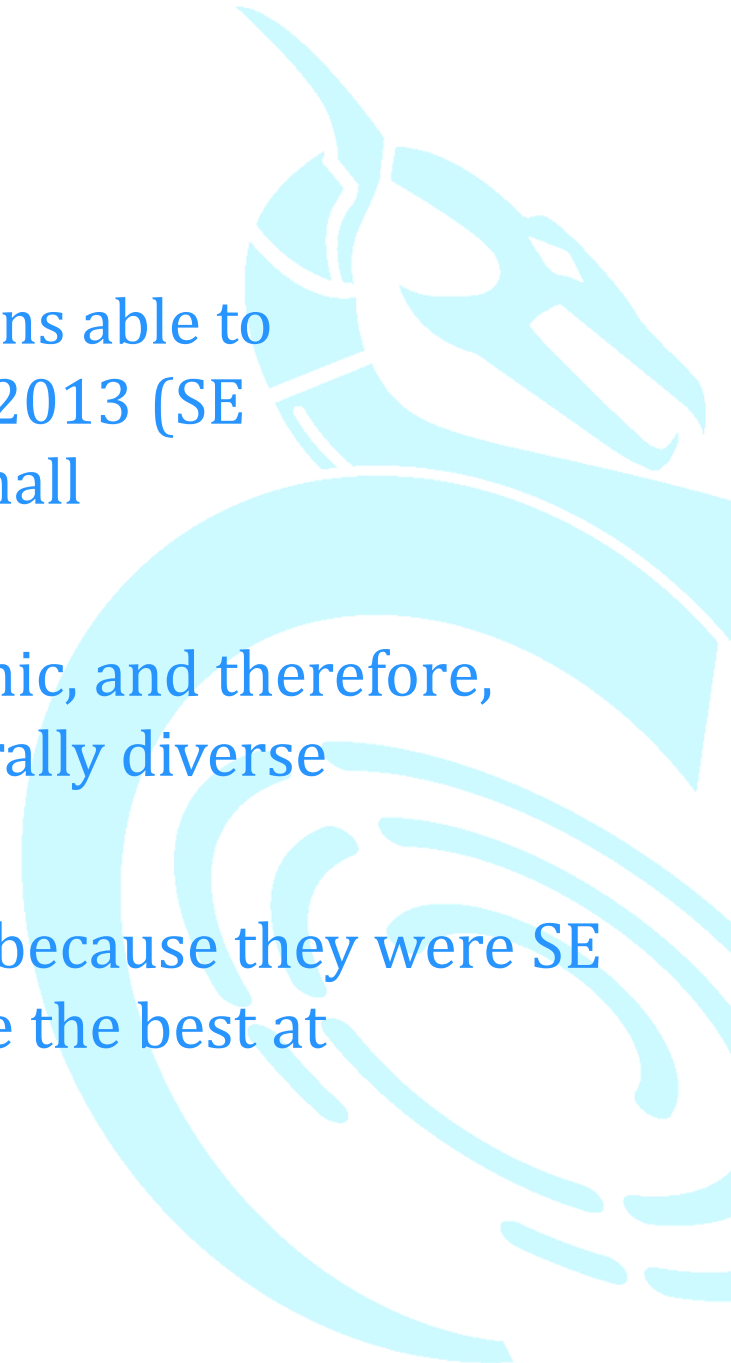


Organisational Profile

- Organisations that were structurally embedded tended to be larger, with higher turnover and permanent fundraising/policy staff
- SE organisations also exhibited ongoing funding relationships with the statutory sector
- These relationships institutionalised over time, and produced further opportunities to consolidate the SE position
- SE organisations exhibited isomorphism

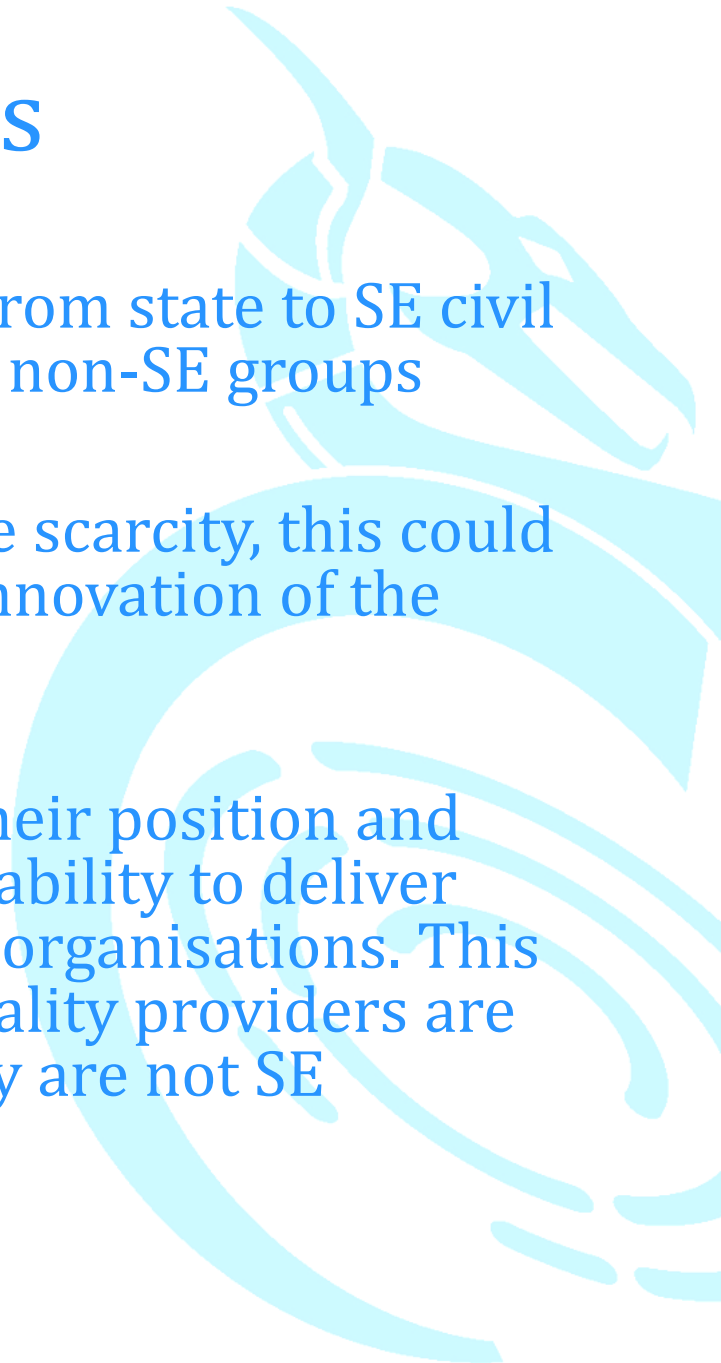
Findings

- The pool of civil society organisations able to meaningfully deliver for ESF 2007-2013 (SE organisations) programmes was small
- These organisations were isomorphic, and therefore, less likely to be innovative or culturally diverse
- These organisations were selected because they were SE – not necessarily because they were the best at delivering policy aims



Implications

- The institutionalisation of funding from state to SE civil society groups is to the exclusion of non-SE groups
- Over time, in the context of resource scarcity, this could reduce the plurality, diversity and innovation of the sector
- SE groups are selected because of their position and organisational profile – not against ability to deliver policy goals in comparison to other organisations. This potentially means that very high quality providers are missing out on funding because they are not SE



Conclusions

- The competitive advantages that SE organisations hold mean that they are likely to be consistently more successful at gaining funds distributed by governing bodies, such as ESF
- The use of predominantly SE organisations could, however, negatively affect the quality of civil society
- Further research on the comparative quality of long-term outcomes delivered by SE and Non-SE civil society groups would aid in understanding the impact of this practice on achieving policy goals



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