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## SECTION III

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## Chapter 6

# EUROPEANIZATION THROUGH FUNDING

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*Matteo Di Placido and Roberto Scaramuzzino*

This chapter deals with European Union (EU) funding of Swedish civil society organizations CSOs. It is a case study of five organizations that have been granted funding through the European Social Fund ESF, and it explores the conditions and consequences of such funding. The financial support from the ESF is an example of financial Europeanization (as described in chapter 1) targeting both local and national CSOs that are active in the social welfare area. The ESF can in fact be seen as part of a common European approach on social welfare issues related to the Lisbon/Europe Treaty of 2020 (hereafter Lisbon/Europe 2020). The common social welfare agenda aimed at modernizing the social model of EU-members states and combating social exclusion. “This strategy is based on policies of anti-discrimination and labour-market integration and targets a range of disadvantaged groups” (Scaramuzzino 2012, 103–4).

To better understand financial Europeanization and its consequences for Swedish CSOs we will draw on two influential theories of political opportunity structures and resource mobilization in social movement research. These theoretical perspectives have a complementary role in describing, understanding, and explaining the dynamic and complex interactions between social structures and collective actors (McAdam, McCarthy, and Zald 1996).

First, the political opportunity structure approach rests on the idea that collective actors are shaped by the set of political constraints and

opportunities that are part of the context in which they are embedded (McAdam, McCarthy, and Zald 1996). Second, the resource mobilization approach focuses on mobilization processes and on the formal organizational manifestations of these processes through so-called social movement organizations (cf. McCarthy and Zald 1977). Both the political opportunity structure and the resource mobilization approaches highlight the importance of context for explaining the mobilization of different groups, although resource mobilization theory is more focused on the collective actors that interact with the structures. Our theoretical framework also aligns itself to the attempt to combine top-down and bottom-up approaches in the study of Europeanization processes (see chapter 1).

As previous research on EU funding of national CSOs has shown (e.g., Sánchez-Salgado 2014a, 2014b; Scaramuzzino et al. 2010; Scaramuzzino 2012), such funding can be interpreted as a fundamental European governance instrument as well as a source for resource mobilization for many CSOs. Such processes of governance offer the possibility of redefining democratic mechanisms not merely on a representational level but also on a participatory level. However, these processes of governance can also be interpreted as a locus of co-optation in the sense that they contribute to the regulation of the activities of CSOs. This co-optation is achieved through conditions aimed at regulating the access, participation, and impact of the organizations (Sánchez-Salgado 2007, 2013, 2014a, 2014b; Scaramuzzino et al. 2010; Scaramuzzino 2012; ). Furthermore, within these processes CSOs interact not only with public authorities, such as the state or the EU, but also with other CSOs. In such collaborations, organizations with fewer resources and that are less embedded in the institutional context are often relegated to subordinated positions and become dependent on the support of public authorities or larger and more professionalized CSOs (Scaramuzzino et al. 2010; Scaramuzzino 2012).

Here we investigate public funding by the EU both as a source of opportunity for resource mobilization as well as a source of regulation through dependency and steering by the public authority. This relates to what Jacobsson and Johansson call “embedded agency” in chapter 1 of this volume. In other words, the question is whether the complex dynamic interactions between CSOs and the EU, which are based on financial support, can be considered as fertile ground for democratization and as supporting the development and flourishing of democracy from below, or instead as an expression of institutionalized coercive governance processes through which CSOs lose their innovative and democratic character.

The study presents results of a case study of five organizations running projects funded by the ESF and is based on qualitative interviews and relevant documents, including official documents by the ESF and their national

translation in programming documents (e.g., ESF 2007), reports, and other material such as flyers and webpages. Semistructured interviews were carried out in the fall of 2014 with two officials from the Swedish ESF council (at the regional and national levels) and with five representatives of Swedish CSOs that received funding from the ESF during the programming period 2007–13. The organizations were selected through a search engine for the programming period 2007–13 that is available on the Swedish ESF council website (ESF 2014a).

The results of the study are furthermore compared with previous research conducted on the importance of the EQUAL Community Initiative, also funded by the ESF between 2001 and 2007 for Swedish CSOs (Scaramuzzino et al. 2010) and for Italian and Swedish immigrant organizations (Scaramuzzino 2012). By this comparison we aim to explore potential changes in the political opportunity structure of the ESF and in the resource mobilization strategies of Swedish CSOs that are receiving the funding. We will also discuss the relevance of the national context for how financial Europeanization affects domestic civil society.

### **Public Funding of Swedish CSOs**

The results presented in chapter 3 by Scaramuzzino and Wennerhag show that Swedish CSOs are mainly financed through membership fees and by funding from municipal authorities. These findings are consistent with cross-national comparisons of the sources of revenue for CSOs. Data published in 2004 show that Swedish organizations have the highest level of reliance on membership fees in Europe and among the lowest dependency on public funding (Salamon, Sokolowski and List 2004, 33). As we have seen in chapter 3, EU funding seems to play an even less prominent role. However, we know from previous studies that this source of funding can play an important and even essential role for some CSOs (Scaramuzzino et al. 2010; Scaramuzzino 2012).

While the relative importance of public funding can be questioned if compared with other sources of funding and in international comparisons, the Swedish public sector over the years has built up a comprehensive and extensive system of funding that specifically targets CSOs. This system includes funding at the municipal, regional, and national levels and has traditionally privileged “membership organizations, where member activities and the importance of the movement for democracy are values often stressed, and where the measure of success and influence is a large body of members and widespread participation” (Lundström and Svedberg 2003, 224). Immigrant organizations, for example, have been granted funding

on the basis of membership and representations at both the municipal and national levels (Scaramuzzino 2012). The underlying idea is that CSOs fill an intrinsic social need, and this is why the funding can be used relatively freely.

In addition to organizational funding, there are more performance-oriented funding opportunities that are often related to projects of different kinds. Project grants are distributed for specific purposes and activities and are limited by clearly defined project goals and time frames. While the organization grants thus mainly aim at generating effects on organizations, project grants are expected to have direct effects in terms of public benefit or for a specific target group (Danielson, Zetterberg, and Amnå 2009). Previous research has shown that project grants have become more frequent at the expense of organizational grants (Johansson 2005; Danielson, Zetterberg, and Amnå 2009).

As will be discussed later in this chapter, ESF funding is always linked to a specific project and might thus contribute to what has been described as the projectification of Swedish CSOs' activities (Hedling and Meeuwisse 2015, 46). This development describes a shift of focus in the financial support system targeting CSOs from the earlier focus on organizational input in terms of membership, and thus a more representational and democratic role, to a more recent emphasis on output in terms of capacity to contribute to social development and welfare (cf. Danielson, Zetterberg, and Amnå 2009).

## **The European Social Fund**

The history of European funds goes back to the first European programs of the 1970s and 1980s. The nature and the political role of European funding systems has progressively developed over time from being neutral to becoming strategically and politically oriented. A turning point in this process was the canceling of the program to combat social exclusion by the Court of Justice of the European Communities (CJEC). Since then the European Commission (EC) has been required to follow the rules of the European Economic Community and to be supervised by committees created for this purpose. A consequence of this development has been that strategic and political goals have been introduced into the European funding systems (Sánchez-Salgado 2010).

Within these processes behind the political reorientation of the European funding systems, the alignment of the ESF within other European strategies such as the European Employment Strategy (EES) and Lisbon/Europe 2020 strategy has been emphasized. The ESF has thus

been understood as both a financial tool that is able to facilitate and amplify national changes in line with the EES (Weishaupt 2009) and as a political tool aimed at implementing the Lisbon/Europe 2020 priorities on employment at the domestic level (Sánchez-Salgado 2013).

The role of the structural funds in implementing the revised Lisbon strategy has been highlighted in previous studies (Hartwig 2007; Mendez 2011), mainly with regard to European institutional arrangements and programming documents (Sánchez-Salgado 2013). Few studies have addressed the translation of the ESF into domestic agendas (Verschraegen, Vanherck, and Verpoorten 2011). The results of these studies suggest an impact on national policies by even modest ESF funding (Sánchez-Salgado 2013, 3), and there are indications that the European funding system functions as a (soft) governance tool for the EU.

Some argue that, as a political tool, ESF funding facilitates the practical implementation of the Lisbon/Europe 2020 goals on employment because through such funding the European priorities are both translated into national programming documents and practically implemented at the local level (Sánchez-Salgado 2013). Sánchez-Salgado (2013) emphasizes how despite a tendency of member states to support their own policy preferences, the EC's officials can make use of the Lisbon/Europe 2020 goals to promote the EC's priorities. But she also shows how the practical implementation of European priorities primarily rests on the degree of European pressure, on the EC's monitoring capacity, and on other facilitating factors such as national and local contextual features identified at the level of economic development and administrative centralization (Sánchez-Salgado 2013). In fact, "when European goals remain broad or ambiguous, the ESF has been mainly used to pursue the agenda of domestic actors" (Sánchez-Salgado 2013, 22).

It has been argued that EU funding supports the interests of disadvantaged groups and thus addresses certain imbalances in the system of interest representation. In this respect the EU funding of CSOs in the social welfare area tends to resemble the model of associative democracy. More specifically, on the one hand it tends to support many groups that voice the concerns of excluded citizens, while on the other hand it ensures effective and open representation of those groups that fulfill certain normative criteria and certain features such as representativeness and autonomy. According to this perspective, high dependency on EU funding does not necessarily mean lack of autonomy for European CSOs. It can, however, be related to a bureaucratization of politics (Sánchez-Salgado 2014a).

All in all, although it is clear that the EU, through its funding opportunities, has shaped the landscape of civil society at both the EU and domestic levels, this has not necessarily meant a loss of autonomy for the CSOs that have become dependent on public funding from the EU. The effects of EU

funding have not been homogeneous across countries, policy areas, and types of CSOs, which seems logical considering the intrinsic diversity of the civil society sector (Sánchez-Salgado 2014b).

### *The EQUAL Community Initiative*

The EQUAL Community Initiative was part of the ESF for the programming period 2001–7. The goal of EQUAL was to tackle discrimination and disadvantage in the labor market. According to the guidelines of the EC, these goals had to be met through projects implemented following the principles of partnership and empowerment, the latter being an early formulation of the principle of shared management. Hence, the principles of partnership and empowerment aimed at allowing and increasing the involvement of CSOs in projects within the social welfare area and fostering the economic and organizational development of CSOs (Scaramuzzino et al. 2010).

Almost 650 organizations were involved in the Swedish EQUAL program, and among the participants the majority were public organizations while significantly fewer were nonstate actors. Among these nonstate actors a larger share was represented by CSOs compared to for-profit organizations. In this respect, we find significant differences between the Swedish program and similar programs in other European countries. In most countries, CSOs were in the majority and public organizations in the minority. All country programs were similar in terms of the limited participation of for-profit organizations. Arguably, the Swedish program was marked by the prominent role of public organizations in labor market programs, a role that included the main responsibility for service production and provision.

However, within development partnerships promoted by the EC in the EQUAL Community Initiative, cooperation between public, private, and voluntary organizations was highly encouraged. A study of the CSOs participating in the Swedish EQUAL program (Scaramuzzino et al. 2010) shows that the program managed to attract a variety of organizations such as the women's movement, immigrant organizations, organizations representing people with disabilities, the Church of Sweden, and other religious organizations. Most CSOs represented the social partners (e.g., national, regional, or local unions) or interest groups for socially excluded or discriminated groups in society. This is hardly surprising since the EQUAL program aimed at bringing people back into the labor market.

The reasons why organizations participated in the EQUAL program varied greatly. Some aligned themselves to the formal objectives of the program and tried to include unemployed people in the labor market, while others mainly participated as a way to create goodwill for their organizations. Another



key reason was to gain financial support. Even though public organizations tended to dominate the Swedish EQUAL program, it provided CSOs with ample financial support. However, desirable positions within partnerships (e.g., to be coordinators and/or the organization controlling the finances within the partnership) were mainly held by public organizations. In some cases this appeared to be part of an intentional strategy, while in other cases it was a response to expectations from the ESF. Public organizations functioned as a guarantee for a certain degree of organizational, financial, and administrative stability within partnerships (Scaramuzzino et al. 2010).

Although these positions were generally held by public organizations, some smaller user organizations were highly successful in taking advantage of opportunities within the program. They developed the general competence for running different EU projects and the administrative capacity to coordinate projects involving several different partners; they also managed to exercise influence in the partnerships they participated in. These organizations gained a lot from participating in the EQUAL program and increased their position vis-à-vis other CSOs (Scaramuzzino et al. 2010).

A comparison of immigrant organizations' participation in the Italian and Swedish EQUAL programs also showed that the programs in both countries had been able to stimulate projects at the national and local levels. The activities were similar even if the methods and the target groups were sometimes different, mirroring the different migratory systems in which the two countries were embedded. This suggests that the EQUAL program to a certain extent contributed to a Europeanization of the national civil societies and of the national social and integration policies in Italy and Sweden (Scaramuzzino 2012).

The model of development partnerships, however, exposed many small CSOs to the risk of being relegated to inferior positions within the partnership. Competition regarding positions of coordination and financial management often meant that leading positions within the partnership were held by public organizations in Sweden and by large CSOs in Italy (Scaramuzzino 2012). Seldom were such positions held by small CSOs (see also Sánchez-Salgado 2007). Both Italian and Swedish immigrant organizations were thus dependent on stronger actors to be able to access the EU funding. Furthermore, organizational properties and capacities seemed to play a fundamental role concerning immigrant organizations' ability to profitably and strategically mobilize resources and get access to opportunities (Scaramuzzino 2012).

The well-developed Swedish system of public subsidies seemed to give Swedish immigrant organizations a certain advantage compared to immigrant organizations in Italy that were to a higher degree dependent on the support of larger CSOs that were part of the labor or Catholic movements.

Most organizations perceived the administrative burden of handling EU funding as overwhelming, but participation also provided opportunities to run projects and activities that would otherwise be impossible with domestic funding available. This was due to the lack of domestic funding (especially with regard to Italy) and to the state's lack of interest in the knowledge and expertise that immigrant organizations wanted to contribute with (especially with regard to Sweden) (Scaramuzzino 2012).

While the EQUAL Community Initiative was not repeated after 2007, the ESF has continued funding projects, also involving CSOs, in the areas of labor market integration and social exclusion.

### **Experiences of ESF Funding**

The ESF Swedish website states that the fund is defined as “the European Union’s main tool to help both young and older workers and job seekers. . . . The fund supports measures to prevent and combat unemployment, to promote training and to improve the way the labor market functions” (ESF 2014). The site furthermore describes ESF as a means “to achieve a high level of employment, equality between men and women, sustainable development and economic and social cohesion” (ESF 2014b) in partnership with the EU and member states. The ESF in Sweden, in line with the regulations and the national structural fund program for the period 2007–13, had the main role of concretely implementing the EES.

Between 2007 and 2013 the ESF granted 67 billion euros to projects across the entire EU. Of these funds, approximately 690 million euros were distributed in Sweden (ESF 2014b). The ESF in Sweden financed projects focused on skill provision by increasing opportunities for development and renewal within a person’s working life through competence development; it also focused on labor supply by increasing job opportunities. The main focus of both kinds of projects was to use unconventional methods to increase the inclusion of discriminated groups such as immigrants, the unemployed, women, and youth in the labor market.

The following section presents the results of our more recent study focusing on five Swedish CSOs’ experiences of running projects with funding from the ESF.

### **Opportunities and Obstacles**

The five organizations reported quite different organizational motives and strategies behind their decision to apply for ESF funding, which is in

line with previous research on the EQUAL program (Scaramuzzino et al. 2010). To the question, “Why did your organization decide to apply for ESF funds?” one interviewee answered, “It was just to see what possibilities it might present.” This shows how the ESF is perceived as a possibility or opportunity. Often this perceived opportunity was articulated in terms of developing new working strategies and methods that the organizations would not otherwise have had the chance to implement. One informant stressed ESF funding as a unique opportunity: “There is no other way to get this kind of funding for labor market projects in Sweden. A lot of other organizations say, ‘We finance everything except for that.’ So you don’t really have any choice. So Swedish funds and the municipalities don’t really fund these kinds of things because they know there is the ESF . . . so in that way it is the only possibility, but it’s a big one.” One informant emphasized how there was little room for innovation and experimentation in everyday organizational work, which contrasts with the traditional view of Swedish CSOs’ role in the welfare system as innovators and watchdogs (Olsson et al. 2009). However, once the new working strategies or methods proved successful, the organization had the chance to implement those within its regular activities, thus contributing to the development of the organization.

Concerning the reasons behind the decision to apply for ESF funding, another informant, who had the role of project leader, reasoned as follows: “There are always dual purposes. One is concerned with society and the other with one’s own organization. And of course it’s very nice to have new fresh resources and new fresh staff. And I think, one reason here was that X and others were hoping that this project should inspire and have an impact on their own organization and also put social economy on the map. And parallel to this, X together with Y were also setting up regional networks for social economy. So, of course, there are dual interests.” Here several competing interests or reasons to access the ESF are mentioned—both to promote one’s own organization and to achieve societal change by advocating for social economy as a concept and as a practice within a Swedish region.

Another very pragmatic reason emerged from the need, as underlined in one of the interviews, to finance the organization when there was no stable funding available for the activities. This meant that the organization had to seek out funding every time a project ended in order to keep its activities running. As the informant put it, “We don’t have any yearly funding for our organization so we have to apply for funding every year, for every new idea.” The funding could be local, national, or European, as in the case of the ESF, and there was a predominance of public financing compared to other sources. The same informant continued by emphasizing that, in addition to a desire to test a new idea, the organization had previous knowledge of working with EU funding. Hence there was an awareness of the possibilities

connected with it: “We have been working with EU funding before so we know what possibilities come with it.” In fact, as will be apparent in the following, knowledge concerning the system of rules and requirements was a critical point in strategically relating to and applying for funds from the ESF.

In line with previous research, the interviews indicated that the administrative burden was in general perceived as a challenge by the organizations. The difficulty to meet the administrative requirements that the funding implied was acknowledged in both of the interviews with the Swedish ESF officials and in all of the interviews with the representatives of the organizations.

The two ESF officials had different approaches to the administrative burden. While the regional office representative argued for the need to simplify the procedures to access and work with the ESF, the national office representative emphasized that smaller organizations, without the capacity to manage the fund’s requirements, were not the target of the ESF. The informant argued, “The ESF . . . it’s not a fund you are entitled to. It’s a fund you are applying to in competition with others.” The informant further emphasized how the administrative burden was not an exclusive problem for CSOs but was also felt by private and public organizations. What perhaps differed, according to the informant, was the financial stability needed to competently face such an administrative burden, which most public and private organizations possessed. Finally, the informant emphasized that the organizations that could not manage the financial grant in the way required by the fund should avoid applying for funding or, as an alternative, should try to apply in partnership with stronger organizations that could take on the role of project owner and be a guarantor of a certain level of stability.

The logic of the administrative burden can thus be seen both as an obstacle viewed from below and as a selection criterion viewed from above. However, the informant also stated, “You need to have some sort of project administration capacity. But that doesn’t mean that you are supposed to crush those small [associations]. You can run an umbrella project having these small associations as your co-partners.” This translates into a practice that promotes already established and strong organizations and a process toward “participatory democracy of professionals” (Sánchez-Salgado 2010, 527), which resembles bureaucratic and business organizational models. One might argue that such conditions for participation fail to promote a broader conception of democracy.

The administrative requirements were considered especially burdensome by small organizations, where the staff was usually involved on a voluntary basis and not trained to handle a vast array of bureaucratic duties. As an informant put it:

The obstacles were with the administration of the project, but it also helped us to think about what we were doing, because we were writing those reports every month. They checked us a lot, so it also helped to guarantee some quality, but still it took a lot of time from the work that we were supposed to do. We didn't have other people to rely on. Our projects were kind of small in that sense, we were two people working with a lot of different stuff, so all those administrative things took time from actually running the real activities.

Yet other informants mentioned that the administrative burden, rather than representing a barrier for the organizations' ability to relate to the ESF requirements, was demanding because it required a lot of time to deal with. These representatives recognized the fact that their organizations had the necessary organizational capacity to competently face the administrative requirements, something smaller organizations might not have. As an informant mentioned, "But sometimes I feel like most of my time went to the bureaucracy, and we have a big organization. I don't know how that could be for smaller organizations."

Hence the perceived possibility to handle the guidelines was related to the resources in terms of administrative skills that the organizations possessed. An informant stressed the impossibility for an organization to properly deal with the administrative requirements if there was nobody in the organization with specific knowledge on how to accomplish the tasks.

The monitoring of the projects by the ESF was also criticized by some organizations. One of the representatives emphasized how the main focus of the ESF was on checking the organizations' use of money and other formalities (such as the number of hours of all of the participants in the projects reported through daily forms to be filled out by the organization) rather than on the effects of the project and its actual implementation. Another informant had a more positive view, saying that the systems of checks and rules was actually reasonable and aimed at guaranteeing that the projects provided high-quality services.

Another informant mentioned as a difficulty that the ESF guidelines and requirements forced the organization to change its initial plan for the project. The complex system of funding was challenging, especially if the organization aimed to work with smaller target groups. The impression given in the interview was that the funding system, through administrative constraints, tended to shape the projects. This might suggest mission drift among CSOs due to their dependency on EU resources. However, other informants claimed that the ESF rules, even if not problem-free, offered the possibility for the organizations to push their own agendas rather than being forced to adopt a specific stance.

The principle of cofinancing as a potential source of anxiety for the organizations involved in the projects was also mentioned by several interviewees,

including the representative of the ESF national office. Public organizations such as labor market agencies or municipalities, who often were the guarantor of the cofinancing of the projects, could in fact at any time change their mind and leave the other organizations in a situation where it could not carry out the projects. One informant stressed that the practical implications of the requirement of cofinancing were that CSOs became dependent on partnerships with public organizations. Public organizations instead did not necessarily need to involve other organizations such as CSOs when applying for ESF funding, considering their ability to cover their share required by the principle of cofinancing. This would not have been possible according to the partnership model of the EQUAL Community Initiative.

The economic capacity of the organizations was identified as a further concern, especially for small organizations. One informant underlined how having a fluid economy was a main concern for the organizations leading the projects: "Who can be a project owner? A small association? Of course not. Only strong associations." Hence, the economy of a given organization seemed to influence its positioning within the partnership, as has also been shown regarding the EQUAL programs (Sánchez-Salgado 2007, 2014a; Scaramuzzino et al. 2010; Scaramuzzino 2012) and the ESF in general (Sánchez-Salgado 2013, 2014b). Small organizations were practically incapable of assuming the role of project owners because the economic requirements and the risks intrinsic to the management of the project worked as barriers. As one informant put it, the project owner was supposed to guarantee a certain financial stability, manage the payment of the staff, hire new staff if necessary, coordinate the partners, and guide all the other activities that were part of the project.

Another factor that was challenging for some of the organizations was the difference in terms of ideology and values between the organization and the ESF, which echoes the discussion on the alleged mismatch between the values underpinning the Swedish welfare system and the dominant ideological stances of the EU (see the introduction, this volume). This specific challenge forced the organizations to creatively bridge this ideological distance. As one informant commented on the topic, "We could have found out what they wanted, but we didn't agree with their view on things. Their definitions were sometimes based on values that were different than ours. We adopted a little bit of what the funders wanted, but at the same time we did it our own way, so we were still really running the projects like we wanted to."

However, not all the informants agreed on this point. One participant described the relative adaptability of the ESF to the many different ideological stances represented by different projects. The strategies used by the organization to overcome what here has been called an ideological distance will be discussed in the next part of the analysis.

## **Consequences: Outputs and Impacts**

Some informants described how the overall aim and nature of the organization had not been highly impacted by the ESF. Managing the project, however, had required some adjustments. On the one hand, the organizations were able to maintain their autonomy and pursue their aims; on the other hand, they often had to account for some deviations in their original intentions. For instance, one informant referred to the need to adjust the organization's target group to the very specific target groups advocated by the ESF. The organization had avoided this problem by defining two target groups in the project—one in line with the organization's nature and aims and the other following the ESF's guidelines. As the informant stated, "We did what they asked for, but we also added new things to our projects in order to do what we actually wanted to do. For instance, adding new target groups that they didn't ask for." Another informant described how the ESF guidelines and demands influenced the project and significantly shaped it:

And in the end the project became bigger. We had more target groups in the project than we had thought of from the beginning. And that has much to do with the guidelines from the ESF and how the program is built because it's hard within this program to work with very small groups of people because the funding for small projects is not enough to cover the costs. So you have to add more people, more target groups, and more partners and bigger regions. At least this was the case when we applied. So the ESF guidelines and demands significantly changed the project's character.

The ESF representative for the Swedish national council admitted that the ESF did in fact privilege big projects with broader impacts rather than small projects. This was also in line with the idea that the funding should be directed to organizations with certain resources and capabilities. The informant also stressed the ESF as a tool to foster a new role for the civil society sector within the framework of a changing welfare system. The role of the sector was described not as an alternative to the public in service provision, but as a complementary role that covered areas neglected by the public service. There was also an ambition of supporting CSOs' capacity building in order to make them more sustainable.

In reference to the lasting impact of the ESF on the organizations' activities, methods, and identities, some informants described how the ESF funding had indeed affected the development, methods, and activities of the organization even after the project ended. For instance, some reported that the main activities within the projects' framework had been integrated into the organization's regular activities, showing a lasting impact of the

ESF within the organization itself. In some cases, the projects even brought about the establishment of new organizations as a means to tackle problems and deal with issues. However, these positive statements referred to well-established organizations.

A project leader from a strong, public-funded organization explained how the project had resulted in new working methods and had led to the implementation of new projects in collaboration with the local employment office. The informant also emphasized how this positive outcome could also be part of the experience of smaller organizations when they worked in partnership with stronger organizations. The informant listed a number of advantages that came as a result of involvement in an ESF project, namely new collaborations and partners with whom the organization currently worked, the acquisition of a different focus on how to work with labor-market issues, the development of new ideas about starting new social enterprises, and the development of new competencies in how to deal with projects. The interviewee also stated that it would not have been possible to access the ESF without economic resources despite having a good understanding of the system. The only other viable way would have been through a partnership with a stronger organization.

Most of those interviewed represented CSOs working closely with other CSOs, private organizations, and public organizations. In the EQUAL Community Initiative cooperation among public and private and voluntary organizations was highly encouraged, with partnership being a formal prerequisite to apply for funding. However, as shown by previous research on the EQUAL program in Sweden (Scaramuzzino et al. 2010), the partnership format exposed many small CSOs to the risk of being relegated to inferior positions within the partnership. Leading positions within the partnerships were often held by public organizations, and small organizations played a more marginal role (Sánchez-Salgado 2007). However, evidence also suggests that these very same organizations still might have enlarged their networks and become more established in the local context by engaging in such partnerships (Scaramuzzino 2012).

When asked about why the partnership model had not been implemented in the following programming period, the representative of the national office of the ESF council stated that this was due to these types of development partnerships being time consuming and challenging for the organizations. Instead, the networking dimension had been transferred from the project design to the political level thanks to the creation of the eight Structural Fund Partnerships corresponding to the eight regional plan areas of the national ESF program. These eight partnerships comprised key representatives of the local governance milieu such as politicians and CSOs, which facilitated common national and regional prioritization among



regional growth policy, labor market policy, and the EU's cohesion policy. In other words, the Structural Fund Partnerships had the role of deciding which applications were to be granted in the specific region according to the national requirements and specifically the regional programming plan.

As it emerged from some of the interviews, working with ESF and in particular within a partnership was not problem-free. It implied stressful working conditions for the staff involved:

For us working with a project at higher level, it was a lot of work. It totally drained us sometimes, and it caused conflicts within our group. . . . To work with this big project implied a lot of people, a lot of administration, a lot of rules, and a lot of controlling from the ESF. Many, many questions, so of course it's not always easy. And when you have H sitting twenty kilometers from here, and we have to send papers, to call each other, to take a call from the ESF. It's not easy to work like that if you are not employed at the same place. It's a collaboration, and you have different roles, but they are still interconnected. She cannot do her work without the information from me and vice versa. So that's not easy. We have not had conflicts to the point that we didn't talk to each other, but of course you could get mad at each other, "Why didn't you do that?" Or maybe you misunderstand each other.

Another informant mentioned how the dialogue with public partners such as the employment agency was often challenging and led the organization to develop the project in another direction: "Work in partnerships is not always easy, so the organization decided not to further develop contacts with the public sector." However, conflicts in working together not only arose among different organizations but also among the hired staff for a specific project and the organizations' members. Some projects became centered on certain individuals because their specific social networks, competencies, and visions were particularly important to the development of the projects. The ability of individuals to competently make use of their professional network was recognized as fundamental when speaking about the development and implementation of certain projects. One interviewee claimed that the particular relationship built between her and the ESF representatives guaranteed easier implementation of the project. Another informant described how her background in the political arena, as for many of her colleagues in the civil society sector, greatly helped in reading the ESF requirement and in writing the application.

Furthermore, the personal background, whether as policymaker, democracy advocate, or academic student, was often mentioned as an essential competence in interactions with the ESF. Finally, one informant mentioned how the selection of the people involved in the project played a central role not only in its implementation but also in the creation of a social enterprise

as an outcome of the project. She further stressed the importance of a good relationship between the persons engaging in the project and the ESF. During the project period, the ESF had provided support and guidance in times of need: "As long as you are part of the project you have different kinds of support, and everybody wants it to continue if it's a good project." The interviewee, however, also described a total lack of support after the project-period expired and, as she put it, being "left absolutely alone."

Being able to cooperate and build relationships with other actors was stressed as one of the most important preconditions for running an ESF project, as explained by one interviewee: "It was hard work. And I think that it's very much about building up relationships that are stable and trustful. If people are to do something together, the most important thing is that you have a good relation with the people you are supposed to work with that is founded in trust, safety, and honesty. And to have an idea about what you want to do together, so you have the same vision. The vision should be very clear. 'What is your vision?' That's the main thing." This quotation shows that financial Europeanization might also trigger cooperative dynamics in the landscape of Swedish CSOs. The collaborative feature of ESF funding seems not to have disappeared with the principle of partnership even if as previously discussed such collaboration has often changed some of the dynamics in the relationships between the organizations.

## Conclusions

Among Swedish CSOs financial Europeanization is not particularly widespread, as shown by the survey-study presented in chapter 3, and it does not seem to replace other forms of public funding. The EURO CIV survey also shows that CSOs that mobilize resources from the EU are not necessarily dependent on the EU for their survival. However, the qualitative case study presented here gives a more nuanced image through the interviews with public officials and with civil society representatives. In fact, our study shows that EU funding makes it possible for Swedish CSOs to run certain activities that are not easily financed through public authorities at domestic levels. In this sense, the ESF is a political opportunity structure that Swedish organizations can use to complement their domestic opportunities and can help them to diversify their sources of funding.

The funding from the ESF represents only a portion of the total funding that is available for active labor-market provisions in the European countries, and previous studies (Scaramuzzino et al. 2010) show that in the Swedish case the ESF represents a very small share (2.8 percent in 2006) of the national financing. Many of these domestic resources are of course

not accessible for CSOs but are rather controlled by public organizations that have the main responsibility for the active provision of labor-market services. Still, it means that EU funding has relatively little significance for the implementation of labor-market policies in Sweden. In other countries where EU funding plays a much more prominent role due to lack of funding at the domestic level, the impact of financial Europeanization and the regulatory effect of the funding could be much more significant. The same goes for countries where general funding for CSOs is scarce and where there is strong competition among nonstate actors.

While Swedish CSOs seem to be strategically adapting to the requirements of the ESF in mobilizing resources, our study also suggests that they are not giving up their autonomy or their original mission. Hence the structuring effect of financial Europeanization does not seem to apply to the individual organizations that are getting the funding. There are good grounds, however, to claim that the ESF has a structuring effect on the landscape of CSOs because it clearly addresses certain types of resource-rich organizations that have access to administrative skills. This might trigger an elitization of Swedish civil society, as suggested by Hedling and Meeuwisse in chapter 5 of this volume. In fact, while financial Europeanization might provide the opportunity to strengthen the role of civil society as an innovator, it also seems to put weaker organizations in a position of dependency toward public organizations. The intermediary role of Swedish public organizations between domestic CSOs and European public institutions is evident when it comes to financial Europeanization, which is consistent with a similar role played by public institutions for regulatory Europeanization, as shown in chapter 3.

Our results suggest continuity rather than change in the role of EU funding for Swedish CSOs when compared with the previous studies on the EQUAL programs. This continuity suggests that EU funding has become a relatively stable and predictable opportunity structure for Swedish CSOs. The most significant change is related to the partnership model that is no longer used. In EQUAL, this model provided a tool for cooperation in which the partners were at least formally equal and their relationships were regulated and formalized in the application. Our results suggest that the new model might strengthen power relations within civil society and might strengthen the dependency on public organizations' intermediary role because the selection based on skills and resources tends to weed out smaller organizations or to put them in a position of direct dependency on other stronger organizations' goodwill. This selection of organizations seems to have gone from being a side effect of the ESF's requirements to a more explicit strategy for guaranteeing quality and the continuity of the projects. It might, however, also strengthen the structuring effect of financial Europeanization for domestic CSOs.

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