

## **European Integration and Civil Societies: Between Welfare Regimes and Service Markets**

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### **1. Introduction**

During the 1990s, the institutions of the European Union (EU) have discovered civil society as an important subject, amongst them primarily voluntary associations and non-governmental or non-profit organizations (NGOs or NPOs). Following a discussion paper by Romano Prodi and Neil Kinnock from 2001, these NGOs assume a rather central position within a European polity: "European NGO networks are making an important contribution to the formation of a 'European public opinion' usually seen as a pre-requisite to the establishment of a true European political entity. At the same time this also contributes to promoting European integration in a practical way and often at a grassroots level" (Prodi/Kinnock 2001: 5). As a result, it would be in the EU's own interest to acknowledge the NGO sector and to support its development actively.

This request, which we find also in the political announcements of all member state governments, takes up a conviction firmly anchored in modern democracies saying a modern political community depends on a well-developed field of civic associations. Alexis de Tocqueville (1835/1840) already argued that associations were promoting civil virtues such as cooperation, solidarity and commitment to general welfare. They create links between wide varieties of people, which ties them to the coverage of public problems. Hence, it is possible to capitalize on individual interests to enhance general welfare by way of a tightly woven network of private associations and citizens' groups. This argument has been taken up by Max Weber (2002: 203ff.), Talcott Parsons (1971: 87ff.), Seymour Lipset (1979 and 1996), Robert Bellah et al. (1985), Jürgen Habermas (1991: 14ff.) and Robert Putnam (1993: 167ff.), amongst others. Moreover, this argument has been associated with the concept of civil society; the latter is commonly defined as a sector or institution of modern societies, where citizens are involved voluntarily in the (non-violent) regulation of public matters (Keane, 1998). The assumption is that civil society differentiates itself from other sectors of society, above all from the state and the market. Further-

more, it contributes to social integration, primarily by counterbalancing the perverse effects of bureaucratic rule, capitalist production and accumulation regimes.

This analytic conceptualization of civil society is straight forward, yet requires more precision as to its empirical usefulness. In this regard, we can refer to three levels of analysis, which are strongly interrelated. On the micro level of individual action, civil society defines a societal sector based on particular attitudinal and behavioural orientations. As we have mentioned, citizens reproduce civil society as far as they are committed to voluntary engagement, non-violence, reciprocity and trust, amongst others. Scholarly writing on social capital has stressed this argument most prominently (Aldridge et al. 2002; Edwards/Foley 2001). On the meso level, the argument is that civil society is an inter-organizational field of private associations dedicated to civic virtues and public welfare. Research on the voluntary or third sector highlights this point (Curtis et al. 1992; Salomon/Anheier 1996). These organizational fields are not a sufficient condition for the emergence and reproduction of civil society, because the latter expands into the realm of formally minimal or non-organized individual commitments and actions. However, civic associations actively contribute to institutionalize and stabilize civic virtues and orientations by establishing related organizational structures, action repertoires and collective identities. In this sense, the establishment of organizational opportunities for individual civic engagement positively conditions the emergence and reproduction of civil society. On the macro level, finally, we can assume that individuals and organizations depend on a societal environment that enables and spurs civic virtues and engagements. Here, scholars highlight that modernization is effectively promoting the emergence of civil societies (Parsons 1966: 24ff.). Most prominently, we can refer to the modern constitutional state and the regulated capitalist market economy, which establish rights and provide resources for the civic activism of individuals and organizations.

This analytic conceptualization insinuates a certain uniformity of civil society. While this might be the case to a certain extent with regard to civic orientations and commitments, it is not true for working areas, organizational forms and institutional embedment. On the contrary, the heterogeneity of civil society both within individual nation states and across the European continent is its most marking feature. On the level of the nation-state, for instance, citizens and private associations are active in different areas such as leisure, culture, health, science and political advocacy, which imply quite different individual motivations, working routines and organizational patterns. The heterogeneity accrues even more when comparing different societies because individual nation states have brought about associational fields that mirror specific historic paths, political, economic and cultural contexts. In this regard, it is maintainable to argue

that European civil society is nationally structured, and thus segmented in composition.

This heterogeneity becomes more apparent due to the eastward enlargement of the EU. In fact, post-communist countries with underdeveloped civil societies are joining the concert of Western countries, which exhibit amongst themselves distinct traditions and structures of social capital and private associationism. However, this heterogeneity does not exclude an Europeanization of civil societies. In this paper, I will argue that the emergence of a more structured civil society is quite probable on a supra- and transnational level as far as organized associationism is concerned. As said before, organizations do not form or represent civil societies as a whole, yet are of importance for institutionalizing related action forms, social roles, collective objectives and identities. The assumption therefore is that the Europeanization of civil societies is under way through the establishment of a more consistent field of civic associations – both on the supranational level of the EU-institutions, and in view of cross-national networks of private organizations.

One important source of this Europeanization is the gradual erosion of the segmentary structure of European civil society. In this context, we can refer to endogenous and exogenous elements of change. With regard to endogenous factors, scholarly writing testifies considerable transformations of the field of private associationism and voluntary engagement at the national level (Anheier/Kendall 2001), which qualify the distinctiveness and seclusion of national associationism. This is conditioned by changes in the institutional embedment of civil commitment: the welfare state, which has been a dominant point of reference for civil society, has been under review for more than two decades; at the same time, we witness the spread of service markets. These environments had an effect on the internal structure of civil societies by calling for an organizational adaptation of private associationism. Most visibly, these changes have led to a differentiation of the field of private associations into political advocacy and service provision as two professionalized areas and functions of organizational activity. This functional specialization is breaking up the segmentary nature of national civil societies, because it subverts the importance of shared moral convictions, established identities and solidarity bonds of the associational field *within* each nation state and creates functional complementarities and common interests or concerns *across* countries (Münch 2001).

These endogenous elements of change contribute to the erosion of national compartmentalization; however, they would not lead to the Europeanization of civil societies without the exogenous impact of EU policies. On the one hand, the European integration process builds upon the adoption of civil, political and social rights, which are fostering the inclusion of European citizens and their organizations into the emerging European polity and market, regardless of their

national origins, religious beliefs and/or ideological orientations. The fact that the EU promotes social integration and individual inclusion by means of legally codified rights helps to establish a cross-national and European field of civic associations. This circumvents national loyalties, solidarities and identities and enables the supranational cooperation and association of individuals and organizations on the basis of functionally equivalent tasks and skills, shared interests and professional orientations (e.g., lobbying activities or commercial ventures). On the other hand, we have to recall that European unification has progressed more forcefully on the level of economic integration and political institution building. These integration processes are strengthening the above stated differentiation of civil associationism into service markets and advocacy networks that are becoming cross-national in structure and outlook.

In summary, there are good analytic arguments to assume that the segmentary structure of nationally organized civil societies is eroding. In direct line with Durkheim's argument (1997: 291ff.), we can point to the fact that these transformations imply both, anomic tendencies and opportunities. Before reaching these conclusions, however, we will need to draw a picture of the developments and changes of European civil societies mentioned before. For this purpose, I will provide evidence on the segmentary structure of European civil society and the endogenous causes of transformation. In a further step, I shall address the European level in order to pinpoint the gradual Europeanization of private associationism in the argument outlined above.

## 2. European civil societies

### *National contexts and segmentary structures*

As argued before, the field of voluntary associations differs strongly between countries in regards to structure and organization. Firstly, European countries differ with regard to the level of voluntary commitment. Scandinavian and Anglo-Saxon societies have higher levels of voluntarism as opposed to Romance and Eastern European societies, which are at the lower end (Curtis et al. 1992; Gaskin/Smith 1995). Trust or confidence in one's fellow citizens, moreover, is stronger in those countries with higher rates of participation. Contrary to the conclusions drawn by Putnam (1993: 167ff.), who talked about a close inter-relationship between civil commitment and trust, this does not, surprisingly, apply to the US and the UK, where the above-mentioned importance of the voluntary sector is accompanied by a shrinking amount of social confidence.

Secondly, the countries also differ with regard to the rights and duties of civil associations. Romance countries stand out due to a stricter legal-adminis-

trative control and guidance by the state. In France, for instance, this is due to the etatist impetus of French republicanism, according to which private interests and passion need to be controlled by the state for the sake of public welfare (Archambault 1997: 138ff.). In the other countries, the state's more permissive role is a consequence of a more or less explicit neo-corporatist reference to subsidiarity or to a stronger liberal belief in the primacy of the individual's responsibility in private and public matters. Eastern European countries are in a transition process, where a prohibitive state highly distrustful of bourgeois associationism is supplanted gradually by a liberal regulation that has not cancelled persisting reservations (Regulska 2001). Civil societies in Central European countries (e.g., Slovakia, Slovenia or the Czech Republic) have evolved more forcefully than private associationism in Eastern Europe (e.g., Baltic countries, Poland), particularly in the first years of the transition process (Mansfeldova et al. 2004; Wasner in this book). However, the new situation marks an inconsistency and inconclusiveness because of a number of policy goals (e.g., privatization, subsidiarity, etc.), which have been established without being complemented by a supportive administrative and legal environment (Kuti 2001; Fric 2004).

Thirdly, differences arise depending on whether or not private associations integrate in the countries' welfare mix. In this context, Scandinavian countries (e.g., Sweden and Finland) are opposed to Continental (e.g., Germany, France and the Netherlands) or Anglo-Saxon nation-states (e.g., the US, partly the UK). In these country groups the provision of health or social services is regarded as the responsibility of either state authorities, corporatist partnerships or liberalized markets. In Eastern European countries the transition process has led to a clash of paradigms, which becomes most apparent in the Visegrád countries. Liberalization and privatization policies are complemented by a more cooperative and/or corporatist policy model, which foster preferential working relationships between the state and individual privileged associations (Rymsza/Zimmer 2004).

Research has explained these national differences with reference to historical and cultural factors, which determine different traditions and forms of voluntary commitment. In regard to the exceptional situation in the US, for instance, scholars have referred to the importance of Protestantism (Weber 2002). In this regard, they point to the USA's historical experiences in the arrival of religious – mostly Protestant – sects, the foundation of a *new nation* with a moral or ethical mission, and the revolutionary past, which all made the individual's participation in public life part of a dominant pattern (Lipset 1996: 67ff.; Bellah et al. 1985: 167ff.). Another reason is to be found in the multiethnic and multi-denominational structure of the USA, which strengthened the fragmentary and pluralistic structure of civil society as compared to the collec-

tivistic solutions of neo-corporatist state-society relations in continental Europe (Parsons 1971: 87ff.).

These historical and cultural explanations, however, cannot make sense of the fact that Canada and Belgium – countries marked by Catholicism – boast a high degree of civil commitment as well. This and other inconsistencies have led scholars to include references to other favourable conditions, such as a higher degree of economical development (Aldridge et al. 2002), general education (Curtis et al. 1992), less marked subjectively perceived inequalities, and the absence of militant conflicts motivated by religion, ethnicity or political ideologies (Knack/Keefer 1997). Finally, the comparison of Scandinavian and Anglo-Saxon countries demonstrates that both trust and voluntary commitment are not restricted to a highly pluralistic and liberal society such as the US. The former countries draw our attention to the mediating or supporting role of institutions, not least of all, the welfare state (e.g., Salamon/Anheier 1998; Rymysza/Zimmer 2004). In fact, the advent of civil society in terms of a web of private associations closely entwines with the emergence of the constitutional state, due to the civil and political rights it established. Moreover, institutional factors are of importance in order to account for the heterogeneity of civil societies mentioned above. This is true, for instance, when considering the development of European nation states. The modern state monopolized education as an instrument of nation-building, and the emerging welfare state extended its mandate into the realm of social services and public health in an attempt to domesticate the disruptive impacts of capitalist market economies. The establishment and growth of the welfare state thus necessarily clashed with the mission of many private associations, since the latter worked traditionally in the field of educational and/or charitable work (Swaan 1988: 219ff.). This conflict, which increased in intensity as a result of the state's widening omnipresence and responsibility for general welfare, basically allowed for different solutions, which shaped the face of today's associational sector in European countries (also Salamon/Anheier 1998).

First, we can refer to a state-centred solution, as in the Scandinavian countries, where the social-democratic welfare state had replaced private associations in the production of social and health services to a large extent (Wijkström 2000). For it is only the state that can universally and systematically satisfy social rights and guarantee an equal redistribution of wealth. Voluntary organizations are thus primarily active in areas such as leisure, sports and culture. In Eastern Europe, the mandate of the state was generalized because the socialist state assumed the exclusive right to guarantee and provide social services, public health and education, leisure and cultural activities. State control has eroded since the cataclysms of the early 1990s. However, certain mistrust in private associations persists because charitable and philanthropic work is not conceived as an adequate answer to social rights and public problems. The financial

dependency of local NGOs and voluntary associations on foreign money and influence has helped to reproduce these reservations (Széman/Balloch 1998; Kuti 2001: 196ff.). Second, a division of labour between the state and private associations can be quoted, which is more or less rooted programmatically in the principle of subsidiarity. This case not only applies to Germany and the Netherlands, but also, in most recent years, to France and Spain (Archambault 2001b). Private associations have a mandate in social advocacy and service provision, primarily with regard to social welfare, public health and education. The state, in contrast, assumes a central role in financing, administrative supervision and legal control, since the state maintains ultimate responsibility in safeguarding public welfare. Thirdly, a liberal solution can be discerned, according to which the state is called to merely guarantee the autonomy and functioning of the non-profit sector, even in areas such as health, social services and education. Complementing this, minimal social rights and welfare programs were established, which are understood to be a makeshift or ultimate security solution when private philanthropy fails. This is true for the USA, but also for the UK, where the role of private assistance and health care was substantially extended after the conservative reforms of the Thatcher government (Deakin 2001). In regard to Eastern and Central European countries it is not yet clear whether developments are pushing these countries into a distinct Central and/or Eastern European social model. So far, scholars rather argue that these countries adapt to the existing models, each country in its own terms and directions, although a conflictive mixture or clash of liberal and corporatist paradigms seems to be the most common trait, particularly amongst the Visegrád countries (Rymysza/Zimmer 2004).

#### *The erosion of established associationism*

With these differences prevailing, national associationism has underwent significant changes since the 1980s, given the erosion of traditional philanthropic milieus and constituencies, the growing importance of service economies, and the market-creating policies of deregulation and privatization. Firstly, established associations are losing their roots within local communities and/or traditional constituencies. The reason for this development is the continuing dissolution of religious and/or class-related milieus, which is recurrently attributed to the individualization process of modern societies. This had effects, above all, on traditional welfare associations (churches, trade unions, youth and women's organizations or political parties) that were able to build on firm social classes and/or religious milieus in the past (Anheier 2001: 60f.). Yet it also goes for all other associations, as these expose a growing competition for members, donations and public attention. In this context, stable memberships are rather the

exception, whereas continual turnover is the rule (Maloney 1999). At the same time, self-determined participation is the focus of public interest, favouring informally organized associations, e.g., small clubs, initiatives, self-help groups, projects and/or networks (Braun/Klages 2000: 199ff.).

The erosion of traditional constituencies and the individualization of commitments alter established forms of participation and even levels of social capital. Within Western Europe, for instance, we can speak of a small increase in voluntary commitment in Germany and the Netherlands during the 1980s and 1990s, and of a stagnated commitment in France and in Spain. The Anglo-Saxon countries, in turn, demonstrate a decrease of civil commitment (Aldrige et al. 2002: 34ff.). Eastern Europe, on its part, still experiences weak public participation in voluntary organizations, although there are apparent differences between Central and Eastern European countries (Mansfeldova et al. 2004; Wasner in this book). This situation is due to the historic experience of socialist regimes with their mass organizations and mandatory memberships that lead people to mistrust organizational activities. Citizens value participation in private networks, which have mushroomed under socialist state rule and are still well recognized (Howard 2003: 153ff.).

A second factor that impinges on the transformation of national associationism, is to be found in the increasing importance of service sectors within developed market economies. Civil societies have benefited quantitatively from the advent of the modern service society because of a growing demand for services (Salamon/Anheier 1996). The demand was triggered by the growing importance of leisure, consumption and education on one side, and by an expanding welfare state that promoted, financed and supervised welfare and education related services on the other.

This development has clear effects on civic associationism in Western and Eastern Europe. In the West, we can see that the non-profit sector is establishing itself as a growing labour market that submits traditional philanthropy to substantial changes. Service economies have dismissed the production and employment schemes of industrial society. They turn towards a stronger heterogeneity of enterprises and employment forms, and to a flexibilization of labour. This development has spurred employment in Western Europe, primarily amongst women. At the same time, service economies have a direct impact on the gradual professionalization and commercialization of private associations (Swaan 1988: 230ff.; Weisbrod 1998). Non-profit associations and voluntary organizations have become more professional because social, health and educational services are labour- and knowledge-intensive and require a high level of qualification and training. Consequently, we have a growing number of full-time employees that marginalize volunteers. At the same time, professionalization promotes monetarization and commercialization (Horch 1992; Tuckman

1998), which orient the focus of organizational activity towards marketable products at the expense of the association's social plight or mission. Consumers become more important to private associations than members or constituencies. This development undermines the aforementioned community ties of private associations to local, denominational or political milieus even more.

The situation in Eastern Europe is quite diverse, given the fact that the advent of service markets has constituted a radical break with the past. The transformation of socialist countries to market economies has provided room for non-profit organizations and/or semi-commercial ventures, primarily in the realm of education, culture and education, yet, also with regard to social welfare and public health (Kuti 1997). However, sudden reforms generated precariousness and vulnerabilities because private service provision is not generally accessible within Eastern countries, and still lacks public support, funds and professionalism (Regulska 2001). We are not dealing with an economic reorganization of established philanthropy, but rather with the emergence of associationism under difficult conditions. Moreover, experiences made in Central European countries demonstrate that the transition towards a more liberal model is deepening the gulf between a reduced number of privileged private associations, which adopt the position of quasi-governmental organizations, and the rest of the non-profit sector (Rymysza/Zimmer 2004).

A final source of changes is attributed to public policies that have contributed actively to the establishment of service markets. Here, I do not only refer to the current reforms of the welfare state because the expanding welfare state itself has helped to establish highly professionalized service markets by generalizing social rights, guaranteeing the funding of related programs, and administratively supervising service delivery. The deregulation and privatization policies, which were first introduced in the US and the UK (Deakin 2001), and later in continental Europe, starting in the 1980s and continuing onward (Wijkström 2000; Archambault 2001a), accelerated this process by reorganizing markets more stringently according to the competitive requirements of capitalist economies. Today, the state is no longer honouring the associations' non-profit status, but rather technical, economical and demand-oriented aspects of service delivery (e.g., accessibility, quality, price), thus highlighting commercialization, professionalization and managerialism within the non-profit sector.

In Eastern Europe, most governments have committed themselves to follow Western concepts of privatization and deregulation, thus transforming state-socialist welfare systems into liberal or mixed models. However, this transition is far from being complete. Many reforms remain contradictory because the privatization of public services has not been met with a workable reform of the tax system and public funding. A number of concepts and policy goals (e.g., subsidiarity principles and contractualism) are unclear and poorly enforced on the

practical level, given the endurance of traditional administrative structures, routines and personal networks (Regulska 2001; Kuti 2001; Széman/Balloch 1998). The emergence of a more structured field of civic associations is therefore not only hindered by underdeveloped levels of trust and voluntary commitment within the population, but also by a reluctant and/or hesitating state that fails to provide a political opportunity structure for civic participation (Fric 2004).

The enduring importance of state control, however, applies also to the West, where privatization and deregulation policies have not hindered the welfare state to exercise essential influence on private associations, particularly when speaking of welfare relevant (social, health or educational) services. In fact, privatization and deregulation policies have not eliminated state supervision and control, but rather generalized them, since the state is now using its budgetary and regulative competences to guide or correct both cost and quality of services. The formalization and professionalization of service markets are therefore a direct consequence of these budgetary and regulative powers.

Finally, we have to remember that the state has developed a particular interest in promoting private associations as an instrument of its social and labour market policies. In fact, the associational field of civil society has been redefined and honoured as a social economy that secures a labour market for a growing number of professionals. More than that, it also establishes a secondary labour market that provides jobs for unemployed, marginalized or handicapped people. The activating state is thus eminently interested in promoting civil society in terms of services and jobs. Consequently, deregulation, privatization and decentralization policies are underlining the importance of private associations in the realm of welfare-related services. This is true particularly for countries such as France, Italy and Spain, but also Sweden (Archambault 2001b; Wijkström 2000). At the same time, these policies are contributing to the reorganization of the civic sector and the established working relations between private associations and the state. In particular, this is increasingly breaking up and dynamising neo-corporatist structures, such as in Germany or the Netherlands (Zimmer 2001).

These observations lead us to conclude that the voluntary or non-profit sector is facing distinct institutional fields: welfare states and service markets. The latter are establishing increasingly demanding requirements for organizational maintenance, and thus push towards a differentiation of associational fields into professionalized political advocacy on the one hand, and market-driven service provisions on the other. At the same time, traditional constituencies and memberships are eroding, to the benefit of less formally organized and thematically focused forms of participation and support. This split between formal ventures and grassroots participation is apparent in both areas of activity. On the one hand, the non-profit sector is reorganizing itself as a social economy

that provides services and jobs in health, social, educational and recreational work fields. This social economy consists of professionalized service providers that are transforming themselves ever more clearly into commercial enterprises. At the same time, however, we are also speaking of a wider variety of new social entrepreneurs, inclusion companies or employment initiatives. This has been shown in Italy and France (Barbetta 2001; Archambault 2001a), for instance, where social entrepreneurs and inclusion companies (so-called *entreprises d'insertion*) make up a considerable part of the *économie sociale*. These initiatives, established in order to fight poverty and social exclusion on the local level, create new products and services that offer employment to the jobless, and thus pave the way into the regular labour market for marginalized groups of the population. These organizations mobilise a substantial degree of voluntary cooperation and initiate innovative forms of employment and services.

On the other hand, the associational field differentiates itself into a field of political interest representation and participation constituted by a wide array of advocacy groups and networks. Besides the more conventional organizations (e.g., parties, unions, professional federations), which represent mass memberships in hierarchical and strongly institutionalized forms, the last decades have witnessed a participative transformation that has become evident in new forms of social movements, self-help groups and NGO networks. These actors address a variety of problems to the post-industrial society (e.g., environment, sexual liberation and gender relations, regional identities, human rights or international solidarity) and use new patterns of organization and activism, which demarcate themselves consciously from established forms of political participation and interest representation (Kriesi 1996). The focus is on single issues and a self-determined form of activism and cooperation.

### 3. European integration and civil society

Our previous observations clearly underline that similar social and institutional changes occur below persisting differences. These similarities give reason to assume that the seclusion of national territories is being qualified, and that a common socio-economic and political frame of reference is continuously evolving. We may assume that the European integration process plays a substantial role in these developments, since the regulatory interests of European institutions have moved ever more closely to policy fields of imminent importance to private associations, and have thus provided indirect and direct stimuli for the erosion of the segmentary structure of European associationism. Consequently, the EU is a salient pioneer of these transformations, most prominently when referring to the political and economic dimension of European unification.

*EU institution-building and private associations*

The history of European integration illustrates that the architects of the European Communities (EC) and the European Union (EU) have been eager to secure the support of important societal groups and public interests. Well known is the fact that the European Commission incited the establishment of European federations and peak associations, particularly in the field of economic interests (employers' associations, chambers of commerce, round tables of industrialists etc.), of farmers' and workers' unions, as a means to propel European integration. These interests played a crucial role during the consequential decade of the 1980s, where European unification revitalized itself through the project of a common European market and currency. Voluntary associations, citizens groups and social and political NGOs, instead, had little influence during this period. The cooperation between European institutions and voluntary associations remained limited to specific projects in particular policy fields (Kendall/Anheier 2001). The first milestone worthy of mentioning is the cooperation in humanitarian aid and developmental policies. As early as 1976, a liaison committee was established between the Commission's Directorate General on development and foreign relations (DG VIII) and European and international NGOs. Groups and networks covering themes such as environmentalism and women's rights entered the field of European regulation from the 1980s onward. Organizations focusing on human rights and social issues followed in the 1990s and established comparable working relations and groups with EU institutions (Lahusen 2004; Wasner, in this book).

In order to better ascertain the advent of this emerging field of European associations and NGO-networks, we need to note that the widening of regulatory competencies of the EC/EU has provided a strong stimulus for the Europeanization of private associations. At the same time, we need to remember that European institutions have been interested in channelling this process according to their agendas. It is to indicate, for instance, that the initial support for social NGOs and voluntary associations came from the DG XXII on companies and medium-sized enterprises, which created a sub-department on social economy in 1989. Private associations and voluntary organizations were treated by the Commission as social entrepreneurs, and thus as a tool of economic integration, common active labour market and employment policies. The Directorate General on social policies (DG V), which officially recognized these organizations as discussion partners in their proper field of activity and courted them openly from 1990 onwards, provides a further example. This interest was a reaction to the attempts of the Commission under Jacques Delors and Jacques Santer to propel social policies on the European level. The climaxes of this *civil dialogue*

were the European Social Policy Forums of 1996 and 1998, the first of which included a noteworthy number of 1000 NGOs.

The heightened public attention to civil society is thus associated with the institutional needs of the EU institutions. On the one hand, these institutions are interested in improving the acceptance of the European Union in public opinion and eradicating potential democratic deficits by promoting tight cooperation with civil society. The European institutions are thus upholding a specific style of European governance (Commission 2001) that lauds cooperation with civil society as a third pillar on which relationships between the EU and European society are based – apart from the European Parliament and the consultative Committees (i.e., the Economic and Social Committee, and the Committee of the Regions). On the other hand, the Commission has used consultations for advancing its own regulatory aims. This is particularly the case in new areas of policy making, where European agendas and competences have to be defined and defended, and where compliance by member states and interested parties must be secured (Wendon 1998: 57ff.). In the field of social and labour market policies, for instance, the European commission addressed the problem of low competences and clashing interests between the member countries. The promotion of NGO-networks on a pan-European level was an action designed to remedy this situation, because the latter could assist the European institutions in defining the benefits of a European approach towards problem solving and pressuring national governments into supporting common policies. Consequently, voluntary associations and NGOs have gained access into the consultative processes of regulatory rule making systematically since the 1990s. Moreover, they are involved in the implementation of European policies insofar as the use of European funds is concerned (e.g., humanitarian aid, the European Funds for Regional Development, the European Social Funds or the European Compensation and Guaranteeing Funds for Agriculture).

The institutional needs of the European institutions have thus provided a strong pull factor for the Europeanization of associationism (Kendall/Anheier 2001: 146). Indeed, we witness the foundation of a series of umbrella organizations, transnational networks or loosely-coordinated organs, which engage in the brokerage of information between the European, national and local levels, represent the interests of their members at the EU and assist them in applying for European funds. This development will not erode national differences. In some instances, European policies even bring these differences to the foreground, as soon as national associations are affected differently by European initiatives (Kendall/Anheier 2001: 132ff.). However, it is evident that the EU is establishing a common frame of reference (e.g., common policy issues, regulatory procedures, financial programs) for all national and/or local associations. Within

this institutional framework, chances for cross-sectional and cross-national interactions – of a cooperative or conflicting nature – will accrue.

#### *Economic integration and private associations*

The institutionalization of the EC/EU encouraged – and to a certain degree depended on – the emergence of a supranational field of European associations. However, this process does not necessarily promote the cross-national integration of civil societies. In fact, for a long timeframe, diverging national sectors were included into – and thus coexisted within – the European polity by means of federated roof associations. Since the 1980s, however, we have acknowledged an overtly deconstructive approach that aims to erode the segmentary nature of European associationism. This approach resides on three pillars: the Monetary Union, the Single Market and the European Employment Strategy. First, member states have committed themselves to stricter budgetary and financial policies, determined by the Monetary Union's demanding Maastricht criteria. This policy orientation in turn forms an essential reason and point of reference for ongoing reforms of the welfare state mentioned above (Teague 1999). Second, the liberalization impetus of EU Single Market policies extended systematically into all areas of economic production and consumption. Since the late 1990s, liberalization has also reached out to the service sectors, amongst them health and social services, leisure and sports, which are reorganized as European-wide markets. Finally, the EU has committed itself through the Lisbon process to combat unemployment and social exclusion (Atkinson/Davoudi 2000). These attempts, specifically targeted at the service sector, put particular emphasis on activation and flexibilization measures.

Civil society and the voluntary sector are not by chance moving into the centre of regulatory attempts of the EU institutions. One reason is the fact that member states added social policy to the EU's portfolio. The Treaty of Maastricht stressed that the establishment of a Single Market has to promote general welfare and social cohesion in general, and high levels of employment and social protection in particular. The Treaty of Amsterdam underlined this commitment by placing high priority on the fight against social exclusion (Corden/Duffy 1998). To this end, the Social Charter and the Charter of Fundamental Rights were adopted in 1989 and 2000. At the same time, though, EU documents made it unmistakably clear that the establishment of a Single Market remained the highest priority, and this was to be applied even when fighting social exclusion and promoting social cohesion. In fact, most Commission statements and proposals argued that the major achievements in the struggle against social exclusion were not to be expected from educational institutions and social security systems, although they do have something to contribute.

Rather, a substantial improvement was to come from a growing and dynamic labour market (Abrahamson 1997).

The voluntary sector gained a strategic position because it allowed to envision all priorities mentioned, i.e., social policies, single market and employment policies. Private associations construct a social net that supports marginalized individuals, and tempers the effects of demarcation. At the same time, it forms a social economy and a related labour market that not only gives jobs to a substantial number of professionals and qualified employees (primary labour market), but also provides training and work for the population's marginalized groups and raises their employability (secondary labour market). In this sense, the European Employment Strategy explicitly highlights the potentials of a growing service sector at large, and of social economies in particular. In the EU's own words, the mandate conferred to the EU in the field of social policy can be met effectively by increasing employment in the (social) service sector.

The Commission's policies on civil societies thus remained firmly rooted within the Single Market project and its liberalization impetus. The Commission's Internal Market Strategy for Services, published in 2000, provides the most prominent example because it aims to enhance competitiveness, growth and employment creation for all services, amongst them services in health and household care, leisure, sport or amusement. In 2001, the Commission submitted two interrelated directive proposals to the consultative process, which were to make it easier to organizations from one country to provide services throughout the EU. The first Directive on Services in the Internal Market formulated two new rules (the country of origin principle and the rights to use services principle), which stipulated that service providers would be subjected only to the laws of countries of origin, and that customers would be entitled to be reimbursed by their national assistance programs. The second Directive on the Recognition of Professional Qualifications was to secure that all member states would recognize the qualifications of service providers. Both directives were committed to institute the free movement of peoples and services, and thus a liberalized service market.

The liberalization of service provisions and the recognition of qualifications without previous harmonization spurred generalized public outrage in many member states. Particularly the established welfare organizations opposed these directives because they feared competition from lower priced providers and a subsequent drop in the quantity and quality of social welfare. Moreover, critics pointed out that the collective solidarity principle, which stresses the common responsibility for the financing of welfare programs, would be replaced by a market principle based on the production and purchase of individual services. These criticisms were effective in preventing the Council of Ministers, led by the German and French governments, from adopting the Directive on Services in

the Internal Market in early 2005. Given the public protests against the European constitution in the summer of 2005 and the subsequent negative referenda in France and the Netherlands, many politicians and commentators started to question the unconditional neo-liberal impetus of European integration. However, it is uncertain as to whether this will halt the envisioned liberalization of service markets. We should keep in mind that any upcoming proposals by the EU institutions have to conform to the *acquis communautaire*. Moreover, the Commission is not ready to abandon their policies, as became apparent when the president of the EU Commission, José Manuel Barroso, urged member states in September 2005 to restart negotiating the liberalization directives. Finally, liberalization remains an important point of reference not least because the establishment of competitive service markets is under way in most European countries.

#### 4. Conclusion

The EU is contributing to erode the national compartmentalization of civil societies in two respects. First, it has provided an inclusive policy arena of interest representation, and an important source of financial and symbolic support that has channelled the emergence of European-wide networks of political and social advocacy. Secondly, the EU is committed to the creation of single European markets, which guarantee the free movement of capital, goods, labour and services. These objectives are applied also to the service sector, and particularly to the social economy as a means to spur employment and fight social exclusion more effectively. This is increasing the transnationalization of those service markets, which have been emerging within member states, particularly in the realm of welfare-related services as a reaction to the deregulation and privatization policies of the last two decades.

These processes of erosion imply both risks and opportunities. On one hand, we observe anomic tendencies that affect European countries in quite different ways. In Western Europe, we are witnessing a reorganization of the associational field of civil society that affects primarily traditional mass associations. The latter can count on less stable support by the state and the public. The higher competitiveness amongst associations with regard to members, resources and public recognition is increasing the need for higher efficiency and profitability. This creates problems for the non-profit sector, because the new requirements challenge particularly those organizations committed to membership participation, voluntarism and altruism. Commercialization, professionalization and managerialism are the consequences and intensify what Salamon has called the creeping legitimacy crisis of the sector, as the concepts of philanthropy, altru-

ism, voluntarism and commitment to general welfare no longer match the daily work of many associations (Salamon 2001: 24f.). In Eastern European countries, the situation is diverse. The transition from socialist regimes to liberal democracies and capitalist market economies has brought new liberties in the realm of civic associations. While the legal status and financial support of these organizations has been ameliorating since the 1990s, there is no doubt that many of these associations are dependent on political patronage and foreign support. Due to the history of compulsory memberships in mass organizations, voluntary commitment remains focused on the private and familiar environment. The associational sector is thus exposed to a different efficiency and legitimacy crisis. Voluntary organizations are taking over responsibilities for social service provision and political advocacy, without having built up the necessary reputation, public or institutional support. From this point of view, Eastern European countries have to develop an associational sector without the patronage of a well-developed and proactive welfare state. At the same time, they have to subsist against the competitiveness of emerging transnational service markets in the realm of education, culture, leisure and social welfare.

EU policies directed at civil society increase these anomic tendencies because they are market and state-centred and head primarily towards a vertical Europeanization, as Beck and Grande (2004: 147ff.) have called the establishment of supranational entities (e.g., European institutions and single markets). In the first instance, the institutionalization of the EU has increased the need for conventional forms of political consultation and bargaining at the supranational level (i.e., in Brussels and Strassbourg). Societal actors entering this arena tend to establish themselves as formal and professionalized lobbying organizations that alienate themselves from their local communities (Tarrow 2001). At the same time, the liberalization policies of the EU are pushing towards the creation of a common market that integrates various national sectors precisely by downplaying established solidarities, identities and cultures within each member state and by reorganizing cross-national relations as instrumental market transactions. One can expect that liberalization will benefit large service providers, which possess the competitive advantages of an "economy of scale" (Anheier 2001). The latter might become important proponents of a further European integration of markets, to the detriment of the local non-profit and voluntary sectors. In summary, the Europeanization processes delineated here might contribute to a colonization of civil societies by European institutions and markets.

However, these anomic tendencies do not preclude a revitalization of civil societies on the local level. The fact that states and markets are differentiating the associational field of civil society into formalized forms of interest representation and service provision does not exclude the possibility that citizen participation reorganizes itself successfully. Within the social economy, we see that

non-profit and voluntary associations are abandoning the traditional model of charitable work and are trying to meet social needs and rights in an entrepreneurial way. The example of cooperatives, reinsertion initiatives and employment programmes illustrates that this field is finding ways of reconciling philanthropy with entrepreneurship, and is able to attract a substantial amount of voluntary action and civil commitment. At the same time, we have pointed to the fact that political and social advocacies tend to adopt heavily institutionalized and formalized working patterns to represent the collective interests of their constituencies effectively. However, the mushrooming local initiatives, citizen groups or issue campaigns indicate that a more spontaneous form of interest representation and collective action is under way that succeeds in reconciling effectively organized advocacy with individual participation.

Consequently, we can expect that the advent of European-wide advocacy networks and service markets will stimulate the cross-national integration of civil society at the local level of citizen action. This organizational aid resides on the brokerage of information and resources, on the construction of a web of organizational interdependencies and working relationships, and on the establishment of points of reference for common learning processes and collective identities. While these organizational opportunities will not eradicate the national differences between civil societies, we can expect that the room for common experiences, understanding and actions will accrue.

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## Contents

### *Introduction*

#### **The problem of the European Union: Political integration leaving out Society**

*Maurizio Bach, Christian Lahusen, Georg Vobruba*

7

### THE NEW EUROPEAN GEOMETRY

#### **The Enlargement Crisis of the European Union: From Political Integration to Social Disintegration?**

*Maurizio Bach*

11

#### **The Decision-Making Capacity of the European Union After the Fifth Enlargement**

*Martin Heidenreich*

29

#### **Internal Dynamics and Foreign Relations of the European Union**

*Georg Vobruba*

59

### INSTITUTIONS OF SOCIAL INTEGRATION

#### **Solidarity and Justice in the Extended European Union**

*Richard Münch*

79

#### **Change and Continuity of Industrial Relations in Central and Eastern Europe**

*Wolfgang Schroeder*

97