

This version of the article has been accepted for publication, after peer review, and is subject to Springer Nature's AM terms of use, but is not the Version of Record and does not reflect post-acceptance improvements, or any corrections. The Version of Record is available online at: <https://doi.org/10.1007/s11266-020-00256-z>, with the following reference:

Maya-Jariego, I., Holgado, D., González-Tinoco, E., Muñoz-Alvis, A. & Ortega, M. (2020). More money, more problems? Resource dependence and professionalization of non-governmental social services organizations in Andalusia. *VOLUNTAS. International Journal of Voluntary and Nonprofit Organizations*, 31(6), 1212–1225. DOI: 10.1007/s11266-020-00256-z

More money, more problems? Resource dependence and professionalization of non-governmental social services organizations in Southern Spain

Isidro Maya Jariego, Universidad de Sevilla, Spain

Daniel Holgado Ramos, Universidad de Sevilla, Spain

Elena González-Tinoco, Universidad de Sevilla, Spain

Andrés Muñoz Alvis, Universidad del Norte, Colombia

Manuela Ortega, Universidad de Cádiz, Spain

Abstract. This study analyzes the strategies displayed by non-governmental organizations in the social services sector to face the resource dependence on public administration in Southern Spain. We focus on the reorganization of the public subsidies system in Spain and its specific impact on the entities registered in Andalusia. In 2017, the Autonomous Communities assumed the management of a proportion of the subsidies with a charge to the Personal Income Tax for “social purposes”, which was previously managed by the General State Administration in its entirety. The case study combines the description of (a) the process of transferring the management of a line of subsidies from the state to the regional level, (b) the strategies of non-governmental organizations to face the context of instability and financial uncertainty, and (c) the impact of the regulatory bases of grant calls on programs implementation. First, the database with all the applications submitted in the calls of 2017 and 2018 is analyzed (n = 11,610 applications). Second, we describe the perception of the change in the management system, from the point of view of the third sector social services entities. The combination of both strategies allows us to examine in detail the response of social service organizations to ensure the continuity of the budget and the continuity of services. The results show that the change in the management system gave rise to a wide debate among non-governmental social services organizations about the calls for grants managed by the regional government. However, the qualitative case study showed that the reaction of the entities has more to do with the needs of adaptation to an unstable, uncertain and highly competitive financial environment, than with specific characteristics of grant calls.

Key words: Nongovernmental organizations, Funding, Social Services, Management system, Spain.

Introduction

Non-governmental organizations have traditionally been conceived as entities that identify and cover social needs that the government does not reach (Weisbrod, 1997). However, at the same time, government funding is one of the paramount ways of fundraising among non-profit organizations (Blackwood, Roeger & Pettijohn, 2012). This paradox has been analyzed in-depth by the resource dependence theory, which has explored how external financing may reduce the autonomy of the organization (Pfeffer & Salancik, 2003). Specifically, entities with high dependence on a funding source are under a standing risk of income volatility and, consequently, are more vulnerable to external pressures (Hillman, Withers & Collins, 2009).

This has direct implications on organizational functioning. On the one hand, resource dependence may condition the goals of the organization, so that in part, they are displaced or even replaced in their entirety by donor priorities (Khieng & Dahles, 2015). On the other hand, it also appears to reduce innovation, while contributing to the development of a more bureaucratic structure and increasing competition with other entities to attract scarce resources (Mitchell, 2014). These effects are enhanced in economic crisis circumstances, in which excessive dependence on public funding makes entities more vulnerable (Hodge & Piccolo, 2005). In fact, it may jeopardize the continuity of services or, in the most extreme cases, the survival of the organization.

Nonetheless, there is also evidence that nonprofits can maintain efficient operations despite financial dependence on the government (Lu & Zhao, 2019), and may depend in part on patterns of collaboration between organizations (Almog-Bar & Schmid, 2018). This causes some debate about the limits of resource dependency theory.

In this article we analyze the strategies displayed by non-governmental organizations in the social services sector to face resource dependence on public administration. For it, we focus on a case of reorganization of the public subsidies system in Spain and its specific impact on the entities registered in Andalusia. This allows us to explore how organizations respond to an environment of change and uncertainty. In the second instance, it also serves to describe how the financial context conditions the implementation of the programs.

Between professionalization and the search for alternative funding sources

Not all organizations have the same capacity to obtain resources. Larger entities have a higher probability of receiving state funding, while having a bureaucratic structure, a consensus orientation towards government entities and a broader history of government financing (Lu, 2015). To ensure the flow of state funding, non-governmental organizations often face the dilemma of adjusting to the requirements established by a specific donor or diversifying the funding sources (Mitchell, 2014).

On the one hand, professionalization is the preferential strategy of adaptation to donor requirements. Entities managed by professional staff are more rational when planning projects, managing the economy, and evaluating practices (Hwang & Powell, 2009), which increases the probability of fulfilling the government requirements for funding (Frumkin & Andre-Clark, 2000). To the extent that an organization is perceived as more legitimate, it is more likely to enjoy greater credibility and stability and receive more resources (Baum & Oliver, 1991; Meyer & Rowan, 1977). This has translated into the fact that many non-governmental organizations have

enhanced the service provision component to the detriment of claiming actions and community participation. Equally, the contents of the projects have been adjusted to the preferences of the funding source.

In contrast to the above, diversification of income sources is the most widespread strategy to avoid resource dependence (Mitchell, 2014). Access to multiple sources helps entities minimize the financial vulnerability risk and protect their autonomy (Lu, 2015). To achieve this, some entities resort to expanding their geographic coverage or seek partnership with local organizations to maximize fundraising. In other cases they try to specialize in a type of project that is not provided by their competitors, or become more selective in the type of programs they develop. They could also resort to donor education, or negotiation and commitment strategies with the Administration, but these types of strategies seem to be comparatively less frequent (Mitchell, 2014).

Funding management and program sustainability

The funding context can also influence the contents and implementation of the programs. Specifically, it seems to have a direct impact on the duration and continuity of the intervention. First, public entities and funding agencies often structure the financing of social programs around short budget cycles, usually with a finalist nature, through the subsidy of closed activities and projects with a limited execution period. This has resulted in implementation and impact with time restrictions between calls, usually yearly (Rhoades, Bumbarger & Moore, 2012). Second, impact and long-term viability have been a latent, though seldom explicit, concern (Shediac-Rizkallah & Bone, 1998). Short-term subsidies seem to be among the factors that introduce difficulties for the institutionalization of a program in the organization.

Despite these difficulties, results-based management is one of the strategies with significant potential to improve services and meet the community needs (Julian, 2001). However, results-based accountability requires a context of continued technical assistance to entities. For example, the lack of resources to perform a needs assessment or outcome evaluation can negatively affect the quality of the service and the accountability process itself (Swerissen & Crisp, 2004). In addition, certain prevention or promotion actions are more difficult to operationalize in terms of results. On the other hand, administrative issues such as lack of staff with training and expertise in assessment or lack of financial resources to carry it out may be relevant, especially when we compare large organizations with small ones (Dorius, 2011).

Case study: the change in management of 0.7 percent of Personal Income Tax in Andalusia

Third sector organizations in Europe have generally been resistant to both the financial crisis and regulatory changes (Pape et al., 2020). In Spain, subsidies, agreements or contracts are typically used by both state and regional governments to support social action third sector organizations. However, during the economic recession, between 2008 and 2013, the availability of public funds was significantly reduced. Consequently, third sector entities were under strong pressure, not only due to a decrease in financing but also to the increasingly demanding requirements for acquiring and justify such funding (Chaves-Avila & Savall-Morera, 2019). The marketization of services has been more frequent, which has also led to more market-based hybrid organizations.

In 2017, the Autonomous Communities in Spain assumed the management of a proportion of the subsidies with a charge to the raising of 0.7 percent of the Personal Income Tax for “social purposes”. Specifically, they assumed the management of 80 percent of the budget collected,

which was previously managed by the General State Administration in its entirety. This change was aroused by a lawsuit of the regional government of Catalonia, for invading, in its view, the competences of the Autonomous Communities. The reorganization of funding counted on the opposition of the Third Sector Platform, which predicted a negative impact on state-level programs. In Spain, the management of social services has a high degree of decentralization. The powers correspond to each region (or "Autonomous Community"), which in each case have enacted regional social service laws. Nevertheless, the territorial structure of the State has recently been the subject of great political controversy, with strong competition between regions to maintain a differential status or achieve more powers (Keating & Wilson, 2009).

The new model of distribution and management of 0.7 of the Personal Income Tax led to a significant reorganization of the subsidy system concerning social services. For the Autonomous Communities, this change not only meant an increase in the amount of available resources, but also a greater complexity in the management of subsidies, especially due to the workload in the processing of applications and the duplication of calls. For example, in the case of Andalusia, since 2017 two lines of subsidies have lived together, which coincide with a high degree in the type of projects and in the action areas they finance: the general call for aid and the call for Personal Income Tax¹. Both fosters social inclusion programs, projects aimed at children, families and young people; and actions to meet the needs of the elderly and people with disabilities. The two calls also overlap in the intervention modalities, which cover prevention programs, food banks, summer schools, residential services, volunteer programs and actions to improve the accessibility to public services, among others.

Among the few differences considered between both lines of subsidies, it should be noted that the Personal Income Tax call (unlike the general call) considers investment projects and does not include trade unions or business associations among potential applicant entities. Otherwise, the regulatory bases are largely matching. Based on this background, in the present study we compare the applications submitted by the Non-Governmental Organizations in both calls, in the first two editions after the change in aid management was implemented: that is, those corresponding to 2017 and 2018. Also, we explore the perception of the Third Sector representatives about the impact of this change, both in the maintenance and the regular functioning of non-profit organizations and in the implementation of social programs.

Therefore, this case study combines the description of (a) the process of transferring the management of a line of subsidies from the state to the regional level, (b) the strategies of non-governmental organizations to face the context of instability and financial uncertainty, and (c) the impact of the regulatory bases of grant calls on program implementation. First, it is a reorganization in the subsidies management system. In Spain, the competence of social services corresponds to the Autonomous Communities, even with state-level regulations that claim to establish cross-cutting issues in the service delivery. Second, changes in the financial ecosystem introduce a factor of instability, which may jeopardize the continuity of services or even the

¹ In Regional Government of Andalusia 2008 calls, it is, respectively, the "Order of April 25, 2018, which approves the regulatory bases for subsidies granting, awarded on a competitive basis, in matters dealing with elderly people, people with disabilities, training of young people in vulnerable situations, gypsy community, migrants, homeless people, attention in the area of addictions, equal treatment and non-discrimination of LGBTBI people, social action and volunteerism, in the field of competences of the Ministry of Equality and Social Policies" and the "Order of July 19, 2018, which approves the regulatory bases for subsidies granting awarded on a competitive basis aimed at private entities for the performance of general interest measures to meet social purposes under the tax assignment of 0.7% of the Personal Income Tax, in the context of the competences of the Ministry of Equality and Social Policies".

survival of non-governmental organizations in some case. Thirdly, the specific way in which subsidies are regulated is not just a regulatory element, but it may condition the program implementation process itself.

The present study

With this case study we describe the first two years in which the Regional Government of Andalusia took charge of the management of 80 percent of the budget of 0.7 of the Personal Income Tax. Firstly, we analyze the database with all the applications submitted in these calls, compared to the applications registered in the general call for aid. Secondly, we describe the perception of such change by the social services entities of the third sector. The first quantitative phase serves as a context to systematically explore the point of view of the representatives of the field. The combination of both strategies allows us to examine in detail the response of social service organizations to ensure the continuity of the budget and the continuity of services.

Therefore, taking as a reference the partial transfer of 0.7 to the Autonomous Communities, the objective of the study is twofold: first, to describe the perception of non-governmental organizations about the reorganization of the subsidy management system; and second, to explore its impact both in the strategies of adaptation to the instability of the financial environment, and in the implementation and continuity of the programs.

Method

The first phase of the study consisted of a comparative analysis of the applications submitted to the two lines of subsidies: the general call for aid and the call for Personal Income Tax. In the second phase, we conducted semi-structured interviews with managers and technical staff from a selection of non-governmental organizations in the field of social services in Andalusia.

Quantitative phase

The descriptive study of the applications provides information on the number of projects submitted by each entity, the requested budget, the budget allocated, and the score obtained with the application of the scale in each case. In this first stage, we perform a systematic comparative analysis of all the indicators available in both calls.

Databases. The comparative study is based on the register of applications from the Ministry of Equality, Social Policies and Conciliation of the Regional Government of Andalusia, concerning the general call for grants and the call with a charge to 0.7% of the Personal Income Tax, both in the field of social services. Specifically, we analyze all the applications submitted in the 2017 and 2018 calls, registered in the Integrated Social Services System (ISSS). In total, we examined 11,610 applications: 8,665 of the general call for aid and 2,945 of the call with a charge to 0.7% of the Personal Income Tax. In the case of the general call, subsidies from the Andalusian Regional Strategy for Cohesion and Social Inclusion, aimed at intervention in disadvantaged areas, are not included. In the case of the call with a charge to 0.7%, all the files in which there is a single applicant organization and a single eligible action were included. To facilitate information processing, when the applicant organization submitted two or more eligible actions, just the first one was considered. This reduced the study universe by 53 records in 2017 and 36 records in 2018.

Qualitative phase

The qualitative component of the study consisted of conducting interviews with 21 informants of the third sector in Andalusia. It was based on the description made during the quantitative phase to explore the point of view of the applicant organizations. Together with the open interview, systematic information was collected on the relationships between non-governmental social services organizations in the region.

Participants. The 21 interviewees represent a small selection of relevant social services entities in the sector, following the suggestions made by the General Directorate of Social Services of the Regional Government of Andalusia. The informants were the president, the manager, the secretary or the person responsible for the finances of the entity. In some cases, social intervention technicians, or technicians in fundraising and subsidies participated. Participating entities cover the diversity of areas of intervention of social services: intellectual disability, physical disability, elderly, social inclusion, volunteerism, self-help, drug addiction, immigration and international cooperation, among others. The interviewees participated voluntarily. Participants signed an informed consent, indicating that the data would be used anonymously, for research purposes only.

Semi-structured interview. The interview guide consisted of the formulation of open questions about the evolution of fundraising, the key sources of funding for each entity and the comparison of the two calls for research. Complementary, the participants responded to ten possible changes to be introduced in the subsidy regulatory bases, with a Likert scale format from 1 to 5. The interviews lasted approximately one hour. In total 1,187 minutes of conversation were recorded. The interviews were transcribed in their entirety and subsequently analyzed by the team of five interviewers. One of the researchers wrote the list of most common topics and ideas mentioned in a cross-sectional way in all interviews. Then an iterative process of analysis and group discussion was carried out, following a consensus-evaluation dynamic. In parallel to our study, the Regional Government of Andalusia conducted a public consultation on the regulatory basis of grant calls, in which it received 47 contributions from social service entities. The information obtained through the public consultation was used as an element of contrast and validation of the interviews.

Data analysis

In the descriptive study of the database we use the comparisons of means and the analysis of correlations. For this, we use the number of applications submitted, the budget (requested and allocated), the date of presentation of the project, and the score obtained with the scale of the call as basic indicators. After a general description, for the whole database, we conducted a systematic comparison in all the indicators between the two lines of subsidies.

For the qualitative analysis, a consensus-evaluation process was followed. The interviewers made the transcripts of the interviews and participated in several meetings to discuss and interpret the results.

Results

Descriptive analysis of the database

The type of actions and services developed in the field of social services in Andalusia is very diverse. However, four categories give an account of 62.39 percent of the budget granted in subsidies and, therefore, shape the core of the activities financed. These are urgency and social inclusion; elderly people; children, family and youngsters; and people with disabilities.

In the period analyzed, the entities presented a total of 4.67 applications on average (DT = 7.25) and obtained a subsidy for approximately half of the applications submitted (49,63%). The average budget per project is 5,575 euros (DT = 18.771'6). Between 2017 and 2018 they captured an average cumulative budget of 50,490'5 euros per entity (DT = 416,129'8). The added summary is presented in Table 1. When disaggregating the information according to the processing body, it is observed that at the provincial level the approved projects received an average of 3,948 euros (DT = 10,015'02), while in the central services they reach an average of 24,885'1 euros (DT = 53.084'1).

HERE TABLE 1

However, the distribution is very variable among the different entities, as Figure 1 illustrates. More than two-thirds of the participants submit 4 or fewer applications in the analyzed period (n = 1,691, 68.1%). That is, the most usual is to present the equivalent of one application per call (or less). However, there are a small number of very active applicants. Specifically, 2 percent of applicants have submitted 20 or more projects in these calls. That is, just 58 applicants give an account of 2,215 applications, which represents 19.07% of the total.

HERE FIGURE 1

Some data seem to indicate that submitting a greater number of projects is an effective strategy to maximize the raising of resources. On the one hand, there is a statistically significant correlation between the number of applications submitted and the number of applications granted ($r = 0.914$, $p < 0.01$). In fact, the amount requested, and the amount granted are strongly correlated ($r = 0.657$, $p < 0.01$). On the other hand, there is also a correlation between the number of applications granted and the total cumulative budget obtained by each entity in both calls ($r = 0.621$, $p < 0.0001$).

To complete the descriptive analysis, in Table 2 we have summarized the correlations existing between the *date of submission* of the application, the *ratio* between the requested budget and the one finally obtained, and the score achieved in the *valuation of the file*. The date of submission of the application has a slight positive correlation with the amount requested ($r = 0.067$, $p < 0.01$) and with the amount granted ($r = 0.029$, $p < 0.01$). Better results were achieved by those who submit the application on a date closer to the end of the call. In the same vein, the assessment of the file has a positive association with the date of submission of the application ($r = 0.122$, $p < 0.01$). Also, a positive rating of the file is also reflected in the achievement of a higher proportion of the requested budget ($r = 0.424$, $p < 0.01$).

HERE TABLE 2

Comparative analysis of the two lines of subsidies: general call and call for 0.7 of Personal Income Tax

The subsidy database is composed of a total of 11,610 applications, of which 74.6% correspond to the general call and 25.4% to the Personal Income Tax call. However, in the analyzed period, the difference in the number of applications between the two calls is reduced by 24.3%, due to the relative increase of the applicants in the Personal Income Tax call. Specifically, while in 2017 there were four times more requests in the general call than in the Personal Income Tax one, in 2018 the difference is reduced by only slightly more than double. The systematic comparison of both calls is summarized in Table 3.

As a whole, the amount requested is more than four times higher than what is finally obtained. According to lines of subsidies, the relationship between the requested budget and the one finally allocated is lower in the Personal Income Tax call than in the general call for aid. The ratio for the set of projects shows that the entities finally gain an average of 20.94% of the requested budget ($DT = 0.25$). In the general call the ratio is slightly above average while in the Personal Income Tax call it is below.

In the opposite sense, the project score is higher in the Personal Income Tax call than in the general call ($F = 98.048$, $p < 0.01$), and it is also higher in 2018 than in 2017 ($t = -4.392$, $p < 0.01$). As regards the modalities of projects, through the Personal Income Tax call, investment projects have been channeled (representing 23.2% of the total projects). This call has included, for example, the acquisition of adapted vehicles, the equipment of centers and services, or social emergency assistance. In any case, the differences between the two calls seem to be derived from administrative decisions, about the management of subsidies, but cover a type of projects and entities which are fundamentally similar.

HERE TABLE 3

Perception of the reorganization of the subsidy management system

Despite the diversification of fundraising strategies after the 2008 crisis, the functioning of non-governmental organizations in the field of social services remains fundamentally dependent on the funding of public administrations. This makes third sector entities especially sensitive to any change in the institutional or regulatory environment of grant calls. Instability and uncertainty in the financial environment may jeopardize the continuity of social entities. Both the delay in the resolution of the calls and the lack of specific resources for the maintenance of the entities involve continuous financial challenges.

In this context, the transfer of the management of resources of 0.7% of the Personal Income Tax to the Autonomous Communities supposed a reorganization of the calls for subsidies, which had a different impact on the entities of the sector and, consequently, generated a debate on subsidies management. The dilemma occurs mainly between the entities that already obtained resources in the state-level call and those that were incorporated with the regional-level grants (which overlaps in part with the distinction between the largest and smallest entities). Besides that, the interviewees are open to the incorporation of results-based management mechanisms and the implementation of evidence-based practices. In Table 4, we have summarized some of the keys in the perception of the entities, which we will develop below.

Evolution of fund-raising

The financial crisis of 2008 put the issue of funding of social services entities at the center of the debate on the third sector and became among the main concerns of social organizations. The focus on the financial issue is a natural reaction to survival needs, to the extent that many entities faced difficulties to ensure the continuity of their activities, and in other cases, they disappeared. On the other hand, it reflects the reorientation of the sector towards the provision of services.

“The world of non-profit entities has accepted in a too natural way to enter into a dynamic where the whole debate is how entities are funded. Concerns about social transformation discussion have been reduced, of incidence in public policies and we have entered into a dynamic in which the concern is how much money the

administration will give us. This without denying the legitimacy and the need for such financing..." [I35, immigration]

The need to receive more funds is expressed by practically all the entities interviewed, regardless of whether they are the smallest organizations or those entities that have collected more public funds in the last calls. The dominant perception is to affirm that there has been a reduction in the number of economic resources available in social policies, and therefore, in the fundraising by non-governmental organizations. However, this perception may mask some significant processes of the reorganization of the third sector, along with the change in the public funding management system, as indicated by some key informant:

"What I have perceived is the economic crisis has meant an increase in the funding of many entities, especially those of a larger size, because funds that were previously directly managed by the administration are derived ... to finance social entities, to cover the gaps to which the administration does not reach. This means that there are entities that have grown a lot. Then there have been situations, such as the refugee crisis, which have involved special funds ... and I think that this increase in funding has been assumed uncritically, forgetting the role that social entities also play in holding Administration accountable..." [I35, immigration]

Consequently, in the third sector the service delivery component has been reinforced, at the expense of other profiles related to political incidence and the detection of new social needs. In the opinion of some interviewees, the focus on raising funds for the implementation of programs seems to have had a lesser orientation towards community participation and the social claim. On the other hand, the role of advancing the social initiative to social needs is less frequent, before they are covered by the public administration.

"For example, in the 1990s, with the Spanish lessons for foreigners, it was achieved that this was absorbed by adult education centers, which is where they should be. It is a very nice process because, first, it was assumed by social entities through volunteerism, then it was taken over by social entities with public funding, and finally, it was understood that this was a need for a part of society and there were adult education schools to cover that ... The crisis has also served to remove that, but that should be a regular process when talking about the contribution of organized civil society". [I35, immigration]

This process overlaps with a tightening of the management system and monitoring of the subsidies. The requirements for obtaining a grant are more demanding. The accounting and justification processes are more complex. In general, bureaucratic controls have increased throughout the process:

"In parallel, the administration has introduced a change in the way of managing grant funds, so that the concept of "subsidy" has been somewhat distorted. In theory, with subsidies the administration diverts a number of funds to the organized civil society, which is what has established what projects they would like to carry out... However, now they are increasingly confused with subcontracting, so that the terms of the calls are similar to the contract specifications, or a tender, so that the state needs a certain public service to be carried out and takes it out through social entities... There are very clear cases in which we are already going to price/place, as if it was a public contract, and they already value you according to how much it costs you to provide the service one day..." [I35, immigration]

Social services entities with experience in the sector have generally adapted to the usual ups and downs in the volume of funding, both in the general amount and in the distribution between the different lines of action. Nevertheless, the delay in resolution of the call and effective income of the subsidy is a usual cause for complaint. As the budget finally awarded is normally below the requested, the entity not only has to assume the funding of the activity but is forced to implement complex planning and project management strategies. It involves a type of skills and resources that smaller organizations lack, which face difficulties to survive in that financial environment.

“The experience of our entity in the subject of subsidies in the last ten years has been of ups and downs, although there have been some aspects of financing that has been maintained over time. There are some calls for grants with which we are receiving funding year after year, with annual calls from the Regional Government of Andalusia. (...) What has also been a historical landmark is that in ninety percent of the cases the budget is deposited in our bank accounts when the projects have already finished. The entities are always required to advance that money and execute the projects, even without knowing if they will allow us public subsidies. We find the uncertainty... and when they tell us about the granting, to see when they deposit it in our accounts... and then sometimes we are forced to reformulate it perhaps by thirty percent”. [I26, social inclusion]

A fairly widespread strategy to confront the uncertain environment is to diversify the funding sources. The entities try to raise funds at different levels of public administrations and in calls of private entities. In some cases they also resort to social activities, public events, and micro-financing initiatives. These types of strategies have been reinforced in the period after the financial crisis.

“We try to make financing very diversified. We need public administrations, but we also try to have funding with our funds, we try to carry out recruitment, partners, awareness-raising, or aid campaigns... and then we also opt for all kinds of private calls: banking institutions, social works, foundations, companies, corporate social responsibility... but of course, that is very variable and we never know what will happen to us the following year”. [I26, social inclusion]

Perceived differences between “the general call” and “the call for Personal Income Tax”

In general, entities do not perceive significant differences between those two calls. Despite the existence of specific aspects in the regulatory bases in each case, it is understood that the content, structure, and modalities are quite similar. However, the transfer of the budget management of 0.7% of the Personal Income Tax to the Autonomous Communities has involved a reorganization of the grants which has differentially affected the entities of the sector. On the one hand, it has meant changes in the funding lines and the priorities of the calls. This has especially affected the entities that already received funding in the state-level calls. On the other hand, it has meant an increase in the number of applicants at the regional level, with the consequent changes in the distribution of the budget. For the entities that already obtained subsidies in the calls of the Ministry, the transfer to the Autonomous Communities generates a scenario of instability, to the extent that it opens the call to new contestants and puts the continuity of the funding at risk.

“Since the Regional Government has the competencies of the Personal Income Tax money, the budget for grants at the regional level has increased. But for us, for

example, last year was a disaster. We had subsidies with the Ministry and, suddenly, when the competences passed to the Regional Government, all subsidies were taken from us and we had the worst year of our life...". [I14, social inclusion]

In that context, changes in regulatory bases can also be perceived as a reduction in funding opportunities. Beyond the characteristics of each call, what each entity perceives is the interruption of a funding line with continuity in the previous years. This establishes a difference between the entities that already attended the Personal Income Tax call at the national level and those that have started in this line of subsidies when the call became regional.

"The general call and the Personal Income Tax call are very similar. The bases have specific aspects, such as the percentage of subsistence allowances or the economic deviation that they allow, but broadly there are no differences. (...) What we have noticed is that the line for groups with special needs, for inmates, disappeared. Before the *zero seven* was transferred to Andalusia, at the autonomous community level we opted for a type of call which was 'groups with special needs', that cares for people with a profile of inmates or ex-prisoners, and it disappeared. Although it was said that it was going to be included in the *zero seven*, that the funds were going to increase, in our case it has not been like that, we have received less money... It has affected us, we have lost the funding we had been receiving on the line of groups with special needs". [I26, social inclusion]

The impact of the change in the continuity of a funding line depends in part on the size of each organization. In some cases, it can involve a noticeable change in the budget, and even put its survival at risk. Normally, the financial management capacity of the organization is compromised, although they also resort to mobilization strategies, problem statements, relationship development, and political incidence to try to resolve the situation.

"We have been blank for a year. But after kicking, moving in the networks and meeting with all the senior positions of the Regional Government of Andalusia we already have Personal Income Tax funding. It may be little money for a shelter house. But we already have financing". [I14, social inclusion]

In short, there is a pronounced feeling of competition for scarce resources, which in the Personal Income Tax call is expressed in terms of the type of entities that attend it, or the valuation that other entities obtained in the same call:

"To the extent that the funds are for the autonomous communities, it should be required that the projects are written by entities that know the Andalusian territory thoroughly... Some entities having a center in Madrid, another in Seville, another in Valencia, another in Santander and another in Ciudad Real, embrace five autonomous regions. But that is not the same as working in Andalusia and having a knowledge of the region..." [I35, immigration]

When the regional authorities took over the budget management, they normally took as reference the pre-existing subsidy system in the Autonomous Community. Thus, both the priorities and the target population generally maintained a certain continuity, despite the change in the budget amount. At both the state and regional levels, non-governmental organizations participate in the process and are in permanent contact with the administration (indeed, they are especially active in claiming their needs). On the other hand, although decentralization offers the opportunity to bring policies closer to local needs, in this case the

largest organizations at the state level also reacted by participating in regional calls. This has created new tensions among non-governmental organizations over competition for resources.

HERE TABLE 4

Opinion about the application process, scales and granting of applications

As summarized in Table 5, the interviewees evaluated a list of ten possible changes to be introduced in the regulatory bases, as well as in the application process, implementation of scales and granting of applications. Among the possible changes, the two elements that receive a more positive assessment are the results-based management (M = 4.3, DT = 0.95) and the theoretical project formulation (M = 4, DT = 1.05). The interviewees consider appropriate making the granting of subsidies dependent in part on the results obtained in the application of the program in a previous edition. Besides, they understand that the importance must be given to theoretical formulation of projects, encouraging the implementation of evidence-based practices. On the contrary, the two items with a lower score refer to the integration of the general call for subsidies and the Personal Income Tax grants in a single call (M = 2, DT = 1.18) and the inclusion of maintenance expenses of the entity in the program mode (M = 1.9, DT = 1.32). In both cases it is perceived as a risk that changes in practice involve a reduction in the budget.

"It seems good to me that each call has the greatest possible thematic extension... But to unite the two calls I do not see it as positive, because it surely results in the reduction of the budget". [I38, social inclusion]

Among the entities in the sector there is a certain debate on the concentration of resources in a small number of notable entities, such as Caritas, Red Cross and other large entities. On the one hand, larger entities with greater management capacity tend to defend the importance of supporting programs with solvent entities, well-experienced, and with technical skills in programs design, management, and implementation:

"Each entity has to manage what is capable of. If an entity has the capacity to manage ten projects, go ahead... and the one that is not capable, I am sorry: You snooze you lose". [I45, elderly]

"Submitting more projects depends fundamentally on the muscle of the entity, on having the capacity, on having technicians who carry out the projects... Responsiveness is necessary to formulate the proposals in five days". [I35, immigration]

On the contrary, entities that serve special groups perceive that smaller organizations, or those with a more distributed structure, have comparatively fewer opportunities to obtain funding. For example, the self-help movement is usually composed of many small associations, distributed in the territory. Similarly, people with deafness are also geographically dispersed and these entities that respond to their needs have to cover a wider space. In general, these types of organizations face difficulties in obtaining a positive assessment in management capacity, since they are smaller entities, with less salaried staff, or with fewer members. At the same time, obtaining a small subsidy can make the difference between the continuity or the disappearance of the entity.

"We are more than one hundred associations. Our movement cares for people with Alzheimer's disease and it is a great limitation that a maximum of 33 associations

could participate in the project submitted by the federation... They are small entities that need that subsidy to survive, because we intend that users hardly have to pay for services, as they have no resources. Although they are small entities, we need the support of the subsidy to continue performing the task we do". [I43, self-help]

The tension between the components of citizen participation and the provision of services has always existed. Now the discourse of both the Administration and most organizations revolves around the services they provide to users. Strengthening social cohesion through financial support to organized civil society, as a value in itself, hardly emerges in the discourse.

HERE TABLE 5

Discussion

In the case of Andalusia, the transfer of the management of a part of the Personal Income Tax budget for "social purposes" gave rise to a wide debate among non-governmental social services organizations about the calls for grants managed by the regional government. However, this qualitative case study has allowed us to verify that the reaction of the entities has more to do with the needs of adaptation to an unstable, uncertain and highly competitive financial environment, than with specific characteristics of grant calls.

The entities of the third sector providing social services in Andalusia perceive that the call for subsidies managed by the regional government with Personal Income Tax funds does not differ significantly from the general call for aid that existed previously. Although they are convened at different times, and have different regulatory bases, in practice they finance the same intervention modalities and similar needs among third sector organizations. The two calls could be perfectly integrated into one, if it were not for the fact that the entities perceive the risk that this means a reduction in the total available budget.

However, changes in the financial ecosystem put constant pressure on social service entities, who compete for scarce resources. In our case study, the transfer of 0.7 to the autonomous communities obliges some entities to implement strategies to guarantee the continuity of the financing they were receiving from the general state administration, while activating other entities that perceive that, with the change, new opportunities for fundraising can open up. However, beyond our specific research context, in recent decades the need for innovation to adapt to an unstable and uncertain financial environment is a process that has affected non-governmental organizations in a generalized way (Viravaidya & Hayssen, 2001; Yanacopulos, 2005).

Reaction capacity depends in part on the size of organizations. Larger entities are better positioned for raising resources. On the one hand, they have specialized technical staff, with competencies for the formulation of projects, who can invest the time that requires the submission of applications. The data showed a direct relationship between the number of applications submitted and the volume of financing obtained. On the other hand, the calls themselves value positively the entities with the highest number of partners, with more staff, with more volunteers and with a sufficiently complex structure to have quality plans, gender equality plans or risk prevention protocols, among other management elements. Larger entities also have more capacity to deal with financing problems, both when they arise from a context of economic crisis and when they depend directly on the delay in the resolution and the execution of the payment by the public administration. It is common for entities with a long

history of government funding to be more likely to attract new contracts and government grants (Lu, 2015).

Smaller organizations that are prone to innovation and tend to be more responsive to new social needs have comparatively less ability to attract resources. Indirectly, this fact is also related to the reorientation of third sector organizations towards the provision of services. In that regard, it has been proved that the professionalization of NGOs leads them to hold donors more accountable than potential beneficiaries. It also means they are more focused on serving a group of users than on political incidence or industrial actions, aimed at social change (Chahim & Prakash, 2014; Jalali, 2013; Van Slyke, 2003). Thus, the financial dependency on public administration reduces their capacity to represent the interests of the community (Guo, 2007).

In any case, regardless of size, entities implement certain actions to adapt to a complex and unstable financial environment. Among others, it is common for them to resort to diversification strategies of funding sources (Khieng & Dahles, 2015), to make plans to have accumulated reserves (Verbruggen, S., & Christiaens, 2012), or to try to obtain their income through the commercialization of goods and services (Khieng, 2014). Paradoxically, some of the responses provided by the third sector to reduce the resource dependence seem to reinforce the professionalization process, with entities preferably focused on the provision of services. It also reinforces the hard competition between the entities for obtaining limited resources.

Regarding the intervention, the two dimensions in which the financing system seems to have an immediate impact are the duration and continuity of the programs. The calls for subsidies normally have an annual periodicity, so that projects are also usually planned with such extension. However, there is evidence that for certain social problems at least four years of continuous action are necessary to achieve a significant impact (Oesterle, Hawkins, Kuklinski, Fagan, Fleming et al., 2015). On the other hand, when the calls for subsidies do not subject the funding to the previous results, the continuity of the programs may be independent of their effectiveness. That is, depending on the funding available, programs that have no proven positive results could be continued or interventions that have previously demonstrated their effectiveness may be disrupted.

Practical implications

The study provides specific suggestions that can be used as a guide in the reformulation of the regulatory bases of both calls. From the list of possible changes, third sector entities were more receptive to the incorporation of results management mechanisms. In both the formulation and monitoring of projects, it would be of interest to incorporate criteria of relevance and promote the selection of evidence-based practices. The results obtained in the last funded program could become a valuation element that encourages those initiatives that have demonstrated their impact on community needs.

A second line of development may be to promote networking along with the recognition of the diversity of organizations that comprise the third sector. For this, the constitution of transversal coalitions could be positively assessed in both calls. The commitment to collaborate with public services in general, or with community social services in particular, may also be required. However, the perception of competition among the organizations of the sector is very pronounced, so that the implementation of this type of measures could face negative reactions from some entities.

Thirdly, as in other areas of public financing, it may be practical to differentiate a specific line for small entities (or emerging projects), compared with consolidated organizations, with funding capacity and a proven track record in project implementation. The latest ones have greater competence to raise resources and project management. However, the first ones may be more sensitive to specific community contexts and provide elements of innovation.

In any case, the qualitative study allowed us to verify that the specific content of the regulatory bases did not seem to have as much influence on the perception of social entities as the degree to which the continuity of the funding had been affected by the change in the grant management system.

Limitations

Our study was exploratory and aimed at assessing the grant management process. In addition, it only refers to one of the seventeen autonomous communities of the Spanish state, so it would be necessary to contrast to what extent our observations can be generalized to other contexts. On the other hand, the database analyzed in the first stage of the investigation hardly provided merely descriptive information about the projects. To the extent that the registration of applications incorporated data management by results, it would allow monitoring of the improvements introduced in successive editions of the same program. Complementarily, it would be of interest to conduct an in-depth ethnographic study to describe the process of depoliticization of NGOs in the field of social services.

Conclusion

The financial crisis of 2008 appears in the discourse of social services entities as a fundamental point of reference for understanding the adaptive strategies of the third sector. However, in an in-depth analysis, other factors with a longer track record (which had already started before the crisis) appear, such as professionalization, dependence on resources provided by the public administration and competition in the collection of subsidies. The crisis, in any case, has reinforced them. In a way, the concern about the perceived reduction of public funds and the perceived increase in financial risk seem to mask other substantive processes, which are related to the reorganization of the third sector towards the provision of services, the hardening of management conditions of subsidies and the precariousness of labor related to the field of social services. According to the perception of the entities themselves, in public policies the importance attributed to the promotion of the cohesion of the associative network has been declining, as it reinforced its more instrumental nature, focused primarily on financing the provision of services.

Acknowledgments

This research was funded by the Directorate of Social Services of the Ministry of Equality, Social Policies and Conciliation of the Regional Government of Andalusia. The fieldwork and data analysis was carried out within the framework of the project "Typology of subsidies of social services of the Regional Government of Andalusia: Descriptive-comparative analysis of the general call and the 0.7% of the Personal Income Tax call" (FIUS, 3676/0227). Elena González Tinoco participated as a beneficiary of a contract of Research Personnel in Training of the University of Seville. The transcripts were made by Judith Campos Carrau, the beneficiary of a Collaboration Grant from the Ministry of Education and Vocational Training, during the 2019-2020 academic year.

Compliance with ethical standards

Conflict of Interest: The authors declare that they have no conflict of interest.

Participants signed an informed consent, indicating that the data would be used anonymously, for research purposes only.

References

- Almog-Bar, M., & Schmid, H. (2018). Cross-sector partnerships in human services: Insights and organizational dilemmas. *Nonprofit and Voluntary Sector Quarterly, 47*(4_suppl), 119S-138S.
- Baum, J., & Oliver, C. (1991). Institutional Linkages and Organizational Mortality. *Administrative Science Quarterly, 36*(2), 187–218.
- Blackwood, A. S., Roeger, K. L. & Pettijohn, S. (2012). *The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering*. Washington, DC: Urban Institute.
- Chahim, D., & Prakash, A. (2014). NGOization, foreign funding, and the Nicaraguan civil society. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 25*(2), 487-513.
- Chaves-Avila, R., & Savall-Morera, T. (2019). The Social Economy in a Context of Austerity Policies: The Tension Between Political Discourse and Implemented Policies in Spain. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(3), 487-498.
- Dorius, N. (2011). Measuring Community Development Outcomes: In Search of an Analytical Framework. *Economic Development Quarterly, 25*(3), 267-276.
- Frumkin, P., & Andre-Clark, A. (2000). When Missions, Markets, and Politics Collide: Values and Strategy in the Nonprofit Human Services. *Nonprofit and Voluntary Sector Quarterly, 29*, 141–63.
- Guo, C. (2007). When government becomes the principal philanthropist: The effects of public funding on patterns of nonprofit governance. *Public Administration Review, 67*(3), 458-473.
- Hillman, A. J., Withers, M. C., & Collins, B. J. (2009). Resource dependence theory: A review. *Journal of Management, 35*(6), 1404–1427.
- Hodge, M. M., & Piccolo, R. F. (2005). Funding source, board involvement techniques, and financial vulnerability in nonprofit organizations: A test of resource dependence. *Nonprofit Management and Leadership, 16*(2), 171-190.
- Hwang, H., & Powell, W. W. (2009). The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector. *Administrative Science Quarterly, 54*(2), 268–98.
- Jalali, R. (2013). Financing Empowerment? How Foreign Aid to Southern NGOs and Social Movements Undermines Grass-Roots Mobilization. *Sociology Compass, 7*(1), 55-73.
- Julian, D. A. (2001). A Case Study of the Implementation of Outcomes-Based Funding Within a Local United Way System: Some Implications for Practicing Community Psychology. *American Journal of Community Psychology, 29*(6), 851-874.
- Keating, M., & Wilson, A. (2009). Renegotiating the state of autonomies: Statute reform and multi-level politics in Spain. *West European Politics, 32*(3), 536-558.

- Khieng, S. (2014). Funding mobilization strategies of nongovernmental organizations in Cambodia. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(6), 1441-1464.
- Khieng, S., & Dahles, H. (2015). Resource dependence and effects of funding diversification strategies among NGOs in Cambodia. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 26(4), 1412-1437.
- Lu, J. (2015). Which nonprofit gets more government funding? Nonprofits' organizational attributes and their receipts of government funding. *Nonprofit Management and Leadership*, 25(3), 297-312.
- Lu, J., & Zhao, J. (2019). Does Government Funding Make Nonprofits Administratively Inefficient? Revisiting the Link. *Nonprofit and Voluntary Sector Quarterly*, 48(6), 1143-1161.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, 83(2), 340-63.
- Mitchell, G. E. (2014). Strategic responses to resource dependence among transnational NGOs Registered in the United States. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(1), 67-91.
- Oesterle, S., Hawkins, J. D., Kuklinski, M. R., Fagan, A. A., Fleming, C., Rhew, I. C., Brown, E. C., Abbott, R. D., & Catalano, R. F. (2015). Effects of Communities That Care on males' and females' drug use and delinquency 9 years after baseline in a community-randomized trial. *American Journal of Community Psychology*, 56(3-4), 217-228.
- Pape, U., Brandsen, T., Pahl, J. B., Pielniński, B., Baturina, D., Brookes, N., ... & Rentzsch, C. (2020). Changing policy environments in Europe and the resilience of the third sector. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 31(1), 238-249.
- Pfeffer, J., & Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford University Press.
- Rhoades, B. L., Bumbarger, B. K., & Moore, J. E. (2012). The role of a state-level prevention support system in promoting high-quality implementation and sustainability of evidence-based programs. *American Journal of Community Psychology*, 50(3-4), 386-401.
- Shediak-Rizkallah, M. C., & Bone, L. R. (1998). Planning for the sustainability of community-based health programs: conceptual frameworks and future directions for research, practice and policy. *Health Education Research*, 13(1), 87-108.
- Swerissen, H., & Crisp, B. R. (2004). The sustainability of health promotion interventions for different levels of social organization. *Health Promotion International*, 19(1), 123-130.
- Van Slyke, D. M. (2003). The mythology of privatization in contracting for social services. *Public Administration Review*, 63(3), 296-315.
- Verbruggen, S., & Christiaens, J. (2012). Do Non-profit Organizations Manage Earnings toward Zero Profit and Does Governmental Financing Play a Role? *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, 29(3), 205-217.

Viravaidya, M., & Hayssen, J. (2001). *Strategies to strengthen NGO capacity in resource mobilization through business activities*. UNAIDS Best Practice Collection: PDA and UNAIDS joint publication.

Weisbrod, B. A. (1997). The Future of the Nonprofit Sector: Its Entwining with Private Enterprise and Government. *Journal of Policy Analysis and Management*, 16(4), 541–55.

Yanacopulos, H. (2005). The strategies that bind: NGO coalitions and their influence. *Global Networks*, 5(1), 93-110.

Table 1.

Accumulated data of the requests made, and the budget obtained in 2017 and 2018.

	M	DT	Mín.	Máy.
Number of applications submitted	4.67	7.25	1	159
Number of applications granted	2.68	4.54	0	93
Number of applications not granted	1.98	3.61	0	81
Success rate	49.63	39.96	0	100
Average budget per project	5,575.95	18,771.63	113	452,762
Budget granted accumulated	50,490.46	416,129.81	0	17,057,488

Table 2.

Correlations of date of submission, ratio and scale.

	1	2	3	4	5
1. Budget requested	-	.657**	.012	.118**	.067**
2. Budget granted		-	.233**	.189**	.029**
3. Budget ratio			-	.424**	-.037**
4. Score on the scale				-	.122**
5. Date of submission					-

**p<.01

Table 3.

Comparison of the general call for subsidies with the call for 0.7 of the Personal Income Tax.

	Number of applications submitted per call			
	General		Personal Income Tax	
	Frequency	Percentage	Frequency	Percentage
2017	4,541	80.90%	1,072	19.09%
2018	4,124	68.77%	1,873	31.23%
	Average amount requested and granted per call			
	General		Personal Income Tax	
	M	SD	M	SD
<i>Requested</i>				
2017	21,746.7	48,499.1	157,698.4	399,651.7
2018	19,707.9	369,564.7	118,898.6	264,570.8
<i>Granted</i>				
2017	5,581.3	16,927.4	36,625.1	12,2320.7
2018	4,958.3	368,496.2	21,672.6	84,292.6
	Budget requested/granted ratio and score on the scale per call			
	General		Personal Income Tax	
	M	SD	M	SD
<i>Ratio</i>				
2017	0.2294	0.26	0.2054	0.27
2018	0.2258	0.29	0.1265	0.18
<i>Scale</i>				
2017	57.49	12.54	63.79	9.65
2018	58.54	12.60	64.02	9.70

Table 4.

The point of view of social entities on the calls for subsidies.

<i>Third Sector Transformation</i>	<ul style="list-style-type: none"> • Concern about the financial environment of public policies of social services. • Orientation towards the provision of services. • Hardening of the conditions of the subsidies. • Precarization of work conditions in the field of social services.
<i>Evolution of fund raising</i>	<ul style="list-style-type: none"> • The financial crisis is a milestone that establishes a before and after, (...) • (...) that led to the implementation of strategies to diversify the funding sources. • Public administrations are the main funding sources.
<i>Perceived problems</i>	<ul style="list-style-type: none"> • Delay in the resolution of the call and in the effective income of the subsidy. • Both the maintenance of the headquarters and the sustainability of the entity constitute a permanent challenge. • Fear that changes in management will mask a reduction in the budget.
<i>Comparison of the general call for aid and the call for personal income tax</i>	<ul style="list-style-type: none"> • Entities do not perceive significant differences between both calls. • The reorganization of the grants has differentially affected the entities of the sector, (...) • (...) which has translated into a debate on the concentration of resources in a small number of entities of greater size and management capacity. • The volume of applications has been above the management capacity of the Regional Government of Andalusia.
<i>Suggestions for improvement</i>	<ul style="list-style-type: none"> • Introduce results-based management mechanisms. • Promote the theoretical formulation of projects and the implementation of evidence-based practices. • Increase the feedback they receive after the resolution, following the model of peer review.

Table 5.

Assessment of possible changes to introduce in the call.

	M	SD
That the granting of subsidies depends in part on the results obtained in the implementation of the program in a previous edition, that is, on its proven impact.	4.3	0.95
That the theoretical formulation of the project is positively valued.	4.0	1.05
Propose a specific funding line for small entities.	3.9	1.24
That collaboration with local social services is positively valued in the formulation of the project.	3.8	1.20
That the presentation of projects with coalitions of different entities is positively scored.	3.4	1.53
Set a limit on the number of projects that each entity can submit.	3.1	1.84
Incorporate small entities with consolidated organizations.	3	1.28
Increase the relative weight of the project assessment and reduce the relative weight of the entity's experience and capacity.	2.9	1.45
Integrate the personal income tax and the general call in a single call.	2.1	1.35
That the eligible expenses in the maintenance modality are included in the programs modality.	2.1	1.48

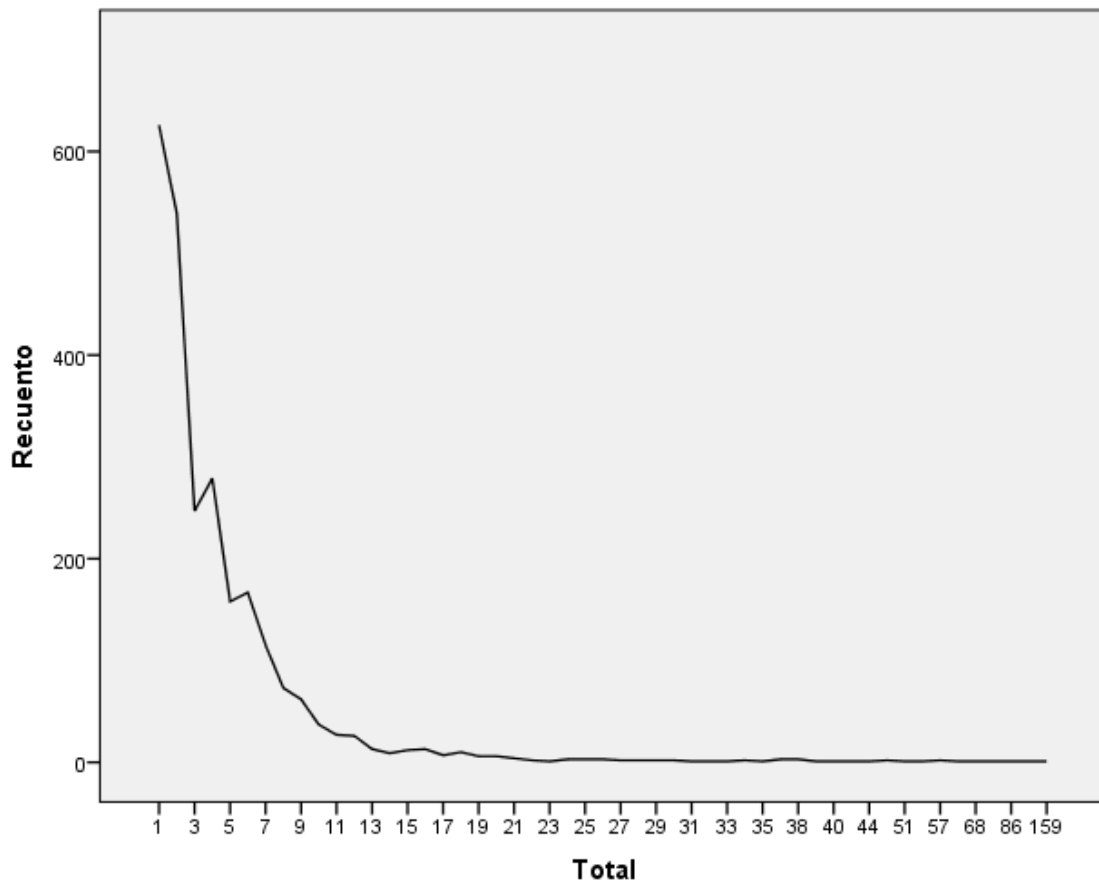


Figure 1. Count of the number of applications per entity in the two calls (2017-2018).