NGOs and challenges confronted in the implementation of active labour market policies: The case of Finland and Sweden

Thomas Babila Sama, PhD
Department of Social Research, Unit of Social and Public Policy, P.O. Box 54
(Unioninkatu 37), 00014 - University of Helsinki, Finland.

Address correspondence to:
Thomas Babila Sama, PhD, Department of Social Research, Unit of Social and Public Policy, P.O. Box 54 (Unioninkatu 37), 00014 - University of Helsinki, Finland.
E.mail: thomas.sama@helsinki.fi

Abstract
This is a qualitative empirical case study whose aim was to find the challenges confronted by NGOs in the implementation of the Active Labour Market Policies (ALMPs) of Finland and Sweden, and how the challenges could be overcome. Two NGOs were selected in Finland and one NGO was selected in Sweden for the data collection. The two selected NGOs in Finland were Jyväskylän Katulähetys in the City of Jyväskylä and Pirkanmaan Sininauha in the City of Tampere, while the one selected NGO in Sweden was Stockholm’s Stadsmission in the City of Stockholm. Two NGOs were selected in Finland and one NGO was selected in Sweden because the two NGOs in Finland were considered equivalent to the one NGO in Sweden in terms of size and employment potentials. Primary data was collected through interviews with two senior executives of each of the selected NGOs in Finland and Sweden. Secondary data for this study was collected through the websites of the selected NGOs in Finland and Sweden, the organizational records, books, published and unpublished research and from internet websites. The data was analyzed through qualitative content and thematic analyses. The findings revealed that the selected NGOs in Finland and Sweden were confronted with four main challenges in their work namely, (1) funding challenge because the NGOs did not have sufficient funds to carry-out their activities effectively, (2) credibility challenge mainly by the NGO in Sweden because Sweden is a very secular country where there is political resistance for public money being given to faith based organizations in the country, (3) workforce recruitment challenge because the NGOs have to employ specifically long-term unemployed people from disadvantaged groups in the case of the NGOs in Finland, and because whenever they have to compete with other stakeholders for a bid to win a project funded by the City Council, the City Council often demands that about 80% of their staff need to have a social work qualification in the case of the NGO in Sweden; and (4) competition challenge because of competition with other stakeholders to win bids from the City Council in the case of the NGO in Sweden. On the other hand, the findings revealed that these challenges could be overcome if the Government of Finland and Sweden provide the NGOs with sufficient funds for them to carry-out their activities. The study concluded that Finland and Sweden which are two Nordic welfare states, have similarities as well as differences in the implementation of their ALMPs with regard to NGOs.
1. Introduction

Finland and Sweden are two “Nordic countries” thought to be “social democratic” welfare states with a distinct “Nordic welfare model” characterized among other things by generous income transfer, local and public funded social and health care services, and a high social expenditure (Esping-Andersen 1990, Kangas 1994; Sipilä 1997; Kautto et al. 1999). In this light, the two countries have achieved low income and gender inequality, low poverty rates and small disparities in living standards (Kvist 1999). However, at the beginning of the 1990s, the two countries suffered from a severe economic recession due to an international economic slowdown. This led to a sharp rise in unemployment never seen before in the two countries since the Great Depression (Räisänen 2003; Roos 2008). Due to the 1990s’ recession, there emerged a new form of structural or long-term unemployment, which has become a perennial problem in the two countries (Pehkonen & Klas 2008).

Today, there are tens of thousands of people in Finland and Sweden who have been unemployed for over a year due to structural or long-term unemployment. This group of people is commonly referred to in the two countries as the long-term unemployed. In April 2015, the number of long-term unemployed in Finland between the ages of 15 – 74 was 103,000 people (Jokinen 2015). In the same period, the rate of long-term unemployed in Sweden was 1.6% (see Statistics Sweden). The long-term unemployed in Finland are mostly people who are difficult to employ particularly in the big cities due to the lack of vocational training, poor health, disability or their ethnic background. Other problematic groups of long-term unemployed in Finland include people who have interrupted their studies, young people with multiple health problems, alcoholics, drug addicts and ex-convicts (LOCIN 2006). Similarly, in Sweden, the long-term unemployed are also people who are difficult to employ and they include young people, ethnic minorities and the disabled (Pehkonen & Klas 2008). Owing to this perennial problem of long-term unemployment, the Government of Finland and Sweden introduced Active Labour Market Policies (ALMPs) in the 1990s to fight against the problem (Räisänen 2003; Svedberg & Lundström 2003). The ALMPs include subsidized employment in NGOs and the other sectors, and job training and re-training aimed at getting unemployed people back to work (Santamäki-Vuori & Parviainen 1996; Trädgårdh 2001, 2005).

However, there is scepticism whether NGOs can play a significant role in the implementation of the ALMPs of Finland and Sweden, considering that NGOs are voluntary organizations with limited funding and other resources. Thus, the aim of this study was to find the challenges confronted by NGOs in the implementation of the ALMPs of Finland and Sweden, and how the challenges could be overcome.

1.1 Comparative Setting

The choice of selecting Finland and Sweden for this study was based on the fact that first, Finland and Sweden are two Nordic welfare states with a universalistic welfare regime (incorporating comprehensive high-level benefits with an extensive employment policy), where unemployed people have the lowest risk of poverty and social exclusion from the labour market (Gallie & Paugam 2000; Timonen 2003). Second, in both countries, ALMPs are aimed at guaranteeing and increasing the employment of vulnerable groups of
people in the labour market. In practice, both countries have a wide range of active labour market measures such as vocational rehabilitation, training and special employment schemes, based on incentives or direct job creation to guarantee and increase the employment of vulnerable groups of people in the labour market (Meager & Evans 1998; Hvinden et al. 2001). Third, Finland and Sweden have set high targets for the participation of long-term unemployed people in ALMPs through training, retraining, work practice, a job or other employability measures. In the case of Finland, all unemployed people for more than 500 days are considered long-term unemployed and are offered places for training, retraining, work practice, subsidized jobs or other employability measures (World Bank 2000; Kvist 2001). Similarly, in Sweden, all unemployed people of between 6 months for young people and 12 months for adults are considered long-term unemployed, and are offered training, retraining, work practice, a job or ongoing job search assistance.¹

Fourth, to achieve the target for participation of the long-term unemployed in ALMPs, the Government of Finland and Sweden have built local partnerships based on extensive cooperation with the municipalities, NGOs and businesses. Hence, both countries channel financial resources to NGOs for the development of new forms of cooperation between the employment services, social services, schools, the local business community and society in general (LOCIN 2006). Fifth, gender equality in the labour market is of top priority to the Government of Finland and Sweden and thus, in the European Union, the two countries are among the highest in terms of gender equality in the labour market (Kjeldstad 2001; Sørensen 2001). The high rate of gender equality in the labour market is partly due to the high-level of social services in both countries such as public childcare for women with kids and care for the elderly. Generally speaking, the ‘Nordic countries’ are distinct in social policies because the development of gender policies follows almost identical paths (Kvist 1999, 2000). Finally, Finland and Sweden were selected for this study because the Finnish and Swedish Government want to reduce long-term unemployment and to make it easier for the long-term unemployed to find work, particularly vulnerable groups like the disabled, the youth and ethnic minorities (Bergqvist & Nyberg 2002).

1.2 Role of NGOs in Finland and Sweden
The Finnish and Swedish social welfare system is based on the Nordic welfare model and to a great extent, it is public and financed through taxes (Abrahamson 1999). Since the aftermath of the economic recession of the 1990s, the Government of Finland and Sweden have come to recognize the increasing role NGOs play in the two countries. Part of the recognition can be attributed to the key characteristics of NGOs not only in terms of their resources and inputs, but also in terms of their social and political productivity. Thus, NGOs are said to fill a great number of fundamental roles in Finnish and Swedish society (Lundström and Wijkström, 1997; Särkelä 2004).

NGOs in Finland and Sweden play the role of advocacy for different socioeconomic groups of people as well as the creation of social capital (Helander & Laaksonen 1999; Lundström and Svedberg 2003). They also play the role of providing mainstream services within what can be viewed as the core domains of the Welfare State. Thus, they are seen as Third Sector organizations because they fall between the public

¹ The Swedish Reform Programme for Growth and Employment 2005-2008: http://www.sweden.gov.se/content/1/c6/05/28/62/c0ecb152.pdf
and the private-profit making sectors. Hence, in Finland, 17% of social services and 5% of health services are provided by NGOs. Similarly, in Sweden, 18% of social services and 6% of health services are also provided by NGOs (Pättiniemi 2004, 2008; Pestoff 1991, 1998 & 2005).

Additionally, NGOs in Finland and Sweden play the role of catalysts and mobilizers of people for social work in their communities. Through social work, NGOs play the role of recruiting marginalized people as volunteers, some of who acquire skills through the experiential learning and training opportunities offered by their involvement, which may help them to find a job in the labour market (Lundström and Wijkström 1997; Cinneide 2000; Wijkström & Lundström 2002). Furthermore, NGOs in Finland and Sweden play the role of improving employment possibilities for the unemployed, through cooperation and partnership with the government. This cooperation takes place at the local level through the City Councils and the Employment Offices (Sama 2012). Thus, NGOs have found employment paths and boosted the working ability of many unemployed people in the two countries (Lundström and Wijkström 1997; New Work Project 2000). For example, in 2003, about 32,000 people worked with NGOs in Finland, and about 100,000 people worked with NGOs in Sweden (Särkelä 2004; Statistics Sweden).

NGOs in Finland and Sweden also play the role of a cooperation partnership which produces joint visions and innovative ideas for employment and alternative forms of employment in the two countries (Cinneidi 2000; Lundström 1996). They are distinct employers because they combine paid and voluntary work. Since there are many people without a job in Finland and Sweden, NGOs play the role of creating job opportunities in the borderline between the services provided by the public and private sectors. They also play the role of enhancing the employability of long-term unemployed people so that they can become employable. Thus, through their engagement with NGOs in Finland and Sweden, some unemployed people have come in contact with working life and have been able to boost their employability and self-esteem. They have also been able to cut their unemployment period and have gained valuable work experiences. NGOs in Finland and Sweden have employed young people through practical training and an increasing number of long-term unemployed, through labour market subsidy (New Work Project 2000; Statistics Sweden). Overall, the role of NGOs in Finland and Sweden increased following the economic recession of the 1990s which led to high unemployment and cutbacks in public spending in the two countries (Saari 2001; Olsson et al. 2005).

2. Theoretical Framework

The following are some theories underlying the emergence of NGOs (Sama 2010). According to the public goods or the performance failure theory, NGOs emerged to satisfy the residual unsatisfied demand for public goods in the society. Weisbrod (1977) and Schmitz (2015) argue that people created NGOs when the government or market could not provide public goods for all or serve the general interests of everybody. Similarly, Brown and Korten (1991) argue that state failure creates a situation in which NGOs emerge as innovative responses to different types of problems. Anheier (1990) argues that NGOs are capable of providing services more economically than the government. In addition, NGOs do not seek profits for their services and they undertake their projects at lower labour costs than entrepreneurs because they rely on voluntary
local inputs that do not include transaction costs. Based on this sort of argument, failures with NGO-led projects compared with those of the government have less consequences on the economy as a whole, since nearly all NGO-led projects are carried out at the micro-level. On the contrary, in case of government or market failure, the unsatisfied demand for public goods left by such a failure attracts the emergence of NGOs. Thus, NGOs could fulfill unsatisfied needs like health care, social work or education services. James (1987) argues that the more a society is heterogeneous, the more conducive it becomes for the creation of many NGOs.

According to the contract failure theory, when people encounter difficulties in pursuing contracts, they turn to find reliable agents in NGOs. This is because NGOs could be more trustworthy as contractors between the people and entrepreneurs since entrepreneurs could take undue advantage of the people’s ignorance to make profit (James 1987). Brown and Korten (1991) argue that NGOs could emerge in case of market failure because markets tend to be potentially vulnerable to failure in developing countries. In such situations, NGOs could emerge since people have trust in them more than profit making entities (Williamson 1985; Krashinsky 1986). Esman and Uphoff (1984) argue that NGOs could play the role of local intermediaries by mobilizing the people for participation in government initiated projects. Additionally, they argue that NGOs could be profoundly effective as intermediaries for the provision of services to disadvantaged groups of people in the society. NGOs could be considered as alternative institutions through which the disadvantaged are better served than conventionally. Similarly, Anheier (1990) argues that NGOs try to stimulate the participation of the underprivileged and are able to reach those strata of society which are bypassed by public service delivery systems.

According to the theory of partnership or interdependence, the relationship between the government and NGOs could be ‘conflicting’, ‘interdependent’ or a ‘partnership’. If it is such that they have to share experiences, resources and expertise, the relationship would be one of complementing each other. Under such arrangements, the ‘theory of interdependence’ or the ‘theory of partnership’ would be argued for the emergence of NGOs as partners (Salamon & Anheier 1998). Politically, Anheier (1990) argues that NGOs are relatively immune from political manoeuvring, whereas government policies and agencies are vulnerable to unexpected change. Moreover, the government may politicize its services if we consider the services as political in global politics. However, by using NGOs as local and international operators, the problems of politicization or hidden agenda can be better handled. Thus, generally speaking, NGOs are believed to be more reliable and less guided by political considerations. Culturally, NGOs grounded in the local culture are more sensitive to local needs and adaptation. Hence, rather than replace the indigenous social culture by large scale organizations, NGOs try to nurture the local organizations within their own cultural sphere.

3. Research Methodology
This is a qualitative empirical case study whose aim was to find the challenges confronted by NGOs in the implementation of the ALMPs of Finland and Sweden, and how the challenges could be overcome. Qualitative method was selected because it allows multiple sources of data, emphasizes theory, and aims at a holistic, robust interpretation of the data (Yin 2003). Qualitative method was also selected because it is
often used to explore complex phenomena by policy makers such as for in-depth understanding of phenomena, to get participants’ viewpoints, and in reporting findings in a literary manner rich in participants’ comments (Streubert & Carpenter 2007; Tong et al. 2007). Qualitative approaches share a similar goal in that they arrive at an understanding of a particular phenomenon from the perspective of those experiencing it. They also share a broad philosophy such as person-centeredness, and a certain open-ended starting point (Holloway & Todres 2003).

For the purpose of this study, two NGOs were selected in Finland and one NGO was selected in Sweden for the data collection. The two selected NGOs in Finland were Jyväskylän Katulähetyks in the City of Jyväskylä and Pirkanmaan Sininauha in the City of Tampere. Meanwhile, the one selected NGO in Sweden was Stockholm’s Stadsmission in the City of Stockholm. Two NGOs were selected in Finland and one NGO was selected in Sweden because the two NGOs in Finland were considered equivalent to the one NGO in Sweden in terms of size and employment potentials. Additionally, two NGOs were selected in Finland and one NGO was selected in Sweden because no single NGO founded by the Evangelical Lutheran Church of Finland, was equivalent to Stockholm’s Stadsmission, in terms of size and employment potentials. The NGOs were also selected on the basis that they were founded by the Lutheran Church, had a long history of providing social welfare services, and had a significant number of both paid workers and volunteers. The cities were selected because they were large cities where the selected NGOs employ a significant number of people in the labour market.

The data for this study was collected by two sources namely, primary and secondary data (Schutt 2006) sources. The reasons for collecting primary data specifically through interviews, was to get detailed information or the perspectives of the interviewees regarding the challenges that their NGO was facing in the implementation of ALMPs and how the challenges could be overcome. Primary data for this study was collected through interviews with two senior executives of the selected NGOs in Finland and Sweden. The interviews were conducted in the premises of the NGOs in Finland and Sweden by the author of this paper. The executives were selected on grounds that as senior officials of the NGOs, they know perfectly the operation of their NGO. All the interviews were recorded in a disc recorder and later transcribed for analysis. The names of the interviewees were kept anonymous in this paper for anonymity of their responses. The interviews included questions regarding the challenges confronted by the NGOs and how the challenges could be overcome. Most of the interview questions were open-ended which gave the interviewees ample chance to elaborate on a particular question that was asked by the researcher. Secondary data for this study was collected to complement the primary data. Secondary data for this study was collected through the websites of the selected NGOs in Finland and Sweden, the organizational records, books, published and unpublished research and from internet websites.

The data for this study was analyzed through qualitative content and thematic analyses since the two are often used interchangeably (Vaismoradi et al. 2013). Content analysis is a general term for a number of different strategies used to analyze texts (Powers and Knapp 2006). It is a systematic coding and categorizing approach used for exploring large amounts of textual data to determine trends and patterns of words used, their frequency, their relationships, and the structures and discourses of communication (Mayring 2000; Pope et al. 2006; Gbrich 2007). The aim of content analysis is to describe the characteristics of the data by examining who says what, to whom, and with what
effect (Bloor & Wood 2006). In contrast, thematic analysis is described as “a method for identifying, analyzing and reporting patterns (themes) within data” (Braun & Clarke 2006: 79).

Both were used interchangeably in the data analysis of this study because the analysis involved cutting across data and searching for patterns and themes, as well as looking for the frequency of different categories and themes for analysis. Content and thematic analysis share the same aim of analytically examining narrative data from life stories by breaking the data into relatively small units for descriptive treatment (Sparker 2005). Both approaches are suitable for answering questions such as: what are the concerns of people about an event? What reasons do people have for using or not using a service or procedure? (Ayres 2007b). Content analysis may be suitable for reporting of the common issues mentioned in the data if conducting exploratory studies in an area where not much is known (Green & Thorogood 2004). It has been suggested that thematic analysis, as a flexible and useful research tool, provides a rich and detailed, yet complex account of the data (Braun & Clarke 2006). Clearly, thematic analysis involves the search for and identification of common threads that extend across an entire interview or set of interviews (DeSantis & Noel 2000). It should be noted that both approaches allow for a qualitative analysis of the data. By using content analysis, it is possible to analyze data qualitatively and at the same time quantify the data (Gbrich 2007). Content analysis uses a descriptive approach in both coding of the data and the interpretation of quantitative counts of the codes (Downe-Wamboldt 1992; Morgan 1993). Content analysis views data as representations not of physical events but of texts, images, and expressions created to be seen, read, interpreted, and acted on for their meanings, and must therefore be analyzed with such uses in mind (Krippendorff 2004). In contrast, thematic analysis applies minimal description to data sets, and interprets various aspects of the research topic (Braun & Clarke 2006). Thematic analysis provides a purely qualitative, detailed, and nuanced account of the data (Braun & Clarke 2006). It has also been noted that both approaches are largely based on the “factist” perspective. A factist perspective assumes data to be more or less accurate and truthful indexes of the reality from an outside perspective (Sandelowski 2010). In other words, the researcher wants to find out about the attitudes or real motives of the people being studied, or to detect something which has happened (Ten Have 2004).

Regarding the data analysis process, the data of this study was analyzed through “description and interpretation”. In the description using content analysis, the primary aim was to describe the phenomenon in a conceptual form (Elo & Kyngäs 2008). The final stage of data analysis in content and thematic analyses relate to reporting the results. This stage is especially highlighted as the final phase of the data analysis in thematic analysis. In addition, in both approaches, the creativity of the researcher in presenting the results in terms of a story line, a map, or model is encouraged. After data gathering and transcribing, it is recommended that the data analyst immerses himself/herself in the data in order to obtain the sense of the whole through reading and rereading (Polit & Beck 2003).

4. Description of the selected NGOs in Finland and Sweden
One of the two selected NGOs in Finland for this study was Jyväskylän Katulähetyks otherwise known in English as the Jyväskylä Street Mission Association. The NGO is a
Jyväskylä based Christian common good organization founded in 1953 with the aim to provide social services such as accommodation, clothing and food distribution services to homeless people and alcoholics in the City of Jyväskylä, located in Central Finland about 270 km north of Helsinki, capital of Finland (Jyväskylän Katulähety). Today, the social services of the organization have expanded to other areas including institutional rehabilitation services, emergency services, family work services, youth work services and recreational services. The organization also undertakes some activities in recycling and income generation such as the sale of second hand goods donated to them. Most of the social services provided by the organization are targeted towards alcoholics, drug addicts, delinquents, ex-convicts and the youth. These social services provision have enabled the organization to create paid jobs for particularly long-term unemployed people. The organization also has volunteers working there (Sama 2007).

The second selected NGO in Finland for this study was Pirkanmaan Sininauha otherwise known in English as the Finnish Blue Ribbon Association. The NGO is a Christian based organization founded in 1961 in the City of Tampere, located 173 km north of Helsinki, capital of Finland. The NGO was founded with the aim to provide its clients with a life free of drug addiction and other forms of intoxication through Christian values. The NGO has expanded its social services and today, it provides social services like accommodation services, nursing home services, day care services, rehabilitation services, recovery groups’ services, therapeutic services, pastoral guidance, counselling services and spiritual services. The organization also has different kinds of projects. The social services and projects have created both paid work for unemployed people and volunteers in the organization (Pirkanmaan Sininauha).

Lastly, the selected NGO in Sweden for this study was Stockholm’s Stadsmission. The NGO was founded in the City of Stockholm, capital of Sweden in 1853 as part of the Swedish Church which formed an association to help poor people - mainly children and the youth in Stockholm. The NGO has grown since then and today, it provides different types of social services including accommodation services, nursing home services, day care services, rehabilitation services, therapeutic services, and pastoral guidance and counselling services. Additionally, the NGO has its own school and a number of income generating activities like second hand shops where second hand clothes and household equipments donated by charity are sold. Furthermore, the organization has some projects of various kinds (Stockholm’s Stadsmission). These social services and projects have created both paid and voluntary work for unemployed people in the organization. Overall, the common thing about the selected NGOs in Finland and Sweden is that they all have a religious background and traditionally, they provide social services to disadvantaged groups of people, through which they are able to create jobs for unemployed people. The next section contains the findings of this study.

5. Findings
This section contains the findings of this study. The findings are based on the primary data which consists of the interviews conducted at the NGOs’ sites in Finland and Sweden. The secondary data complement the findings from the primary data in this study. The findings of the two selected NGOs in Finland are grouped while those of the one selected NGO in Sweden are separated. In the first research question, the respondents were asked to give the main challenges confronted by their NGO, while in the second
research question, the respondents were asked to suggest ways by which the challenges could be overcome. Details of the findings are seen below:

5.1 Funding Challenge
Funding was one of the main challenges the respondents of the two selected NGOs in Finland said their NGOs were confronted with because the NGOs did not have sufficient funds to carry-out their activities for job creation. Thus, the employees could only be employed for a period of 1-2 year contract basis in the case of Jyväskylän Katulähetyys. The funding challenge was also due to the partnership agreement which the NGO had with the City Council and the local Employment Office. According to the partnership agreement with the City Council, the organization has to provide accommodation and other social services to alcoholics and drug addicts besides other disadvantaged groups of people in the City of Jyväskylä, for a period of 3 years at a time. For this purpose, the organization owns more than 200 flats in the City of Jyväskylä and the region. The organization also receives some funding from the City Council for their services. In fact, the City Council purchases social services from the organization. Similarly, according to the agreement with the local Employment Office, the organization has to employ specifically people who have been unemployed for more than 500 days (Sama 2007; 2012).

This group of people is known as the long-term unemployed in the Finnish context. In return, the organization receives employment subsidies for each person employed from the local Employment Office. In the same perspective, in Pirkkanmaan Sininauha, the respondents also said funding was a challenge and that was the reason why they could employ only on short-term contract basis and project cycles after which their employees had to become unemployed again or look for another job. Some comments from the respondents on this included:

“We do not have sufficient money to employ our workers permanently. You know in this area, we think that we need this kind of support in our organization because our income is not enough to offer employment to this number of people in our organization. But I know that in Finland, there are many organizations that are not getting support from the government. The Employment Office is giving this kind of money - 960€ a month to every organization which employs unemployed people. Not all City Councils in Finland give this type of support to NGOs. Jyväskylä City Council is an exception. Our partnership is very good because we get money from the Employment Office and the City Council per person every month. So we pay out a salary and 30% more for every worker. But we also pay our administrative staff and for the running costs of our facilities. The agreement we have with the Employment Office states that we must employ only people who have been unemployed for more than 500 days. We only get money from the City Council, but we employ our workers from the Employment Office.”

“Our employees are employed based on the projects we have and at the end of the project, they have to leave”

In Sweden, the respondents said funding was also a challenge because their NGO did not have sufficient funds for running their activities and due to this, the NGO was sometimes
forced to trim down services. Additionally, the respondents said they were vulnerable because if people gave them less money or bought less of their products, they had to cut down their services. **Some comments from the respondents on this included:**

“Funding is our main problem and so from time to time, we trim our services.”

“We’re also vulnerable because when people give us less money or buy less of our products, we have to cut down. For example, this day shelter cost about 11 million kronors to run, but now we only get 1.4 million Kronors from the City Council to run this project. So we actually provide the main cost of running this project ourselves through donations, through funding from companies that want to contribute for the various campaigns that we run, through selling goods.”

5.2 Credibility Challenge

The respondents of mainly the NGO in Sweden said they had the challenge of **credibility** faced by faith based organizations in Sweden like theirs, because Sweden is a very secular country. Thus, due to secularism, there is political resistance for public money being given to faith based organizations in the country. The political resistance in Sweden against state funding for NGOs mostly comes from the Swedish Left in politics. Besides, the Socialists and Social Democrats in Sweden are opposed to NGOs providing social services that traditionally are provided by the state. Additionally, there is political resistance in Sweden against state funding for NGOs because NGOs are sometimes seen as a ‘left-over’ category in the overall welfare system and thus, politicians are reluctant to regulate the sector for fear that the sector might become influential on policy as a result (Olsson et al. 2005). Furthermore, some also argue that the political resistance against state funding for NGOs in Sweden is due to the fact that NGOs make up a very small part of welfare provision, in the country compared to the public and private-profit sectors. **Some comments from the respondents on these included:**

“There are some problems of credibility because NGOs in Sweden are not well established as those in Britain and the US particularly if they belong to a faith based organization. I think Sweden is a very circular society and as a faith based organization, there is political resistance to public money being given to faith based organizations. Political resistance comes particularly from Swedish Left in politics. Socialists and Social Democrats are opposed to NGOs providing services that traditionally are provided by the state. But I think times are changing and so this year for example, the Swedish Government took out what is called a sort of Third Sector Contract which is a very broadly drawn up agreement between the Third Sector and the government in terms of cooperation, roles and funding. So it kind of opens the door to new partnerships but I think credibility and a kind of political resistance are potential issues.”

“I think it’s important to point out that we’re a faith based organization and it’s more to do with our history and our values. But daily, the way we operate our services is such that a lot of our staff are not religious and a lot of our clients and services aren’t religious. In the services that we provide for example, you don’t have to express religion; you don’t have to be a Christian; it’s a kind of inter-faith. And in fact, one of the services
we recently started is in partnership with the Catholic Church and the Moslem Congregation. So it’s a kind of inter-faith project. So I think the notion of Christianity is there but not in the form of evangelizing.”

5.3 Workforce Recruitment Challenge
The respondents said workforce recruitment was a major challenge faced by their NGO in both Finland and Sweden, though there was some disparity between the two countries. In Finland, the respondents said the challenge of workforce recruitment stems from the fact that the NGOs have to employ specifically long-term unemployed people from disadvantaged groups in the labour market such as alcoholics, drug addicts and ex-convicts, some of who had very little or no professional skills. Additionally, each time the NGOs request for workers, the local Employment Office often selects those that have little or no professional skills and send to them, whereas the most skilled ones are sent to the other sectors. The challenge here was that the NGOs in Finland have to cope with their newly recruited workers who have little or no professional training, by training them. In Jyväskylän Katulähetyks for example, the training usually lasts from 2 days to 2 months. Most often, the training in the organization consists of learning by doing. Some comments from the respondents on this included:

“We have that kind of system that when we need a worker, we ask from the Employment Office and they send us people who when they come here, we interview them and decide which to take. We have the right to make the decision of who to take for our work. So we’re not told who to employ. But we think that sometimes when we call the Employment Office that we need workers, they send us not so good people like alcoholics and drug addicts. Many of the people do not have very good education. We think that they send the best people to other sectors and the not so good ones to us. But it’s okay because the main thing is that these unemployed people can get work with the private sector.”

In Sweden, the respondents also said their NGO faces a challenge in the recruitment of the workforce because some of their newly employed have little or no professional training. Some have also been long-term unemployed and come from disadvantaged groups in the labour market like alcoholics, drug addicts and ex-convicts. These people are employed directly from the open labour market and not from the local Employment Office like the case of the NGOs in Finland. The less skilled employees of the organization are mostly employed on temporary basis, while the highly skilled ones who may have some sort of qualifications are employed on permanent basis. Similarly, the respondents of the NGO in Sweden said they face a workforce recruitment challenge because whenever they have to compete with other stakeholders for a bid to win a project funded by the City Council of Stockholm, the City Council often demands that about 80% of their staff should have a social work qualification, otherwise they will not be considered for the bid. This is not the case with the NGOs in Finland who do not face any competition. Thus, it becomes challenging for the NGO to look for people with a social work qualification. Regarding the services they run, they also have to show that they have highly qualified staff before they can get funding from the City Council. This is not also the case with the NGOs in Finland. Some comments from the respondents on this included:
“A lot of the people have very little training at all; they may not have had any school training at all and so there’s a long gap between where they’re now and where they would need to go in order to get formal employment. So it almost becomes a social project in itself to provide purposeful activities for people who would otherwise do nothing with their days. People when they’re trying to change their lives, when they’re trying to get well, when they’re trying to give up drugs, to have that, enables many of them to feel better. Not necessarily does it enable them to get a job, but it also enables them to change their lives and so they can change their lifestyle. While they’re here, they’re in a kind of stepping stone one.”

“The majority of the people who are employed full time and permanently have some sort of qualifications - either a social work qualification or a therapeutic qualification, and they also tend to have quite a lot of experience. They are mostly on a permanent contract. Then we also employ some people with less experience maybe they are doing their training, their studying, but they tend to be on temporary contracts and they often aren’t full time. They maybe coming and helping out.”

“Everyone who works for the organization has a contract. You can either have a permanent contract or a temporary contract. One part of the temporary contract is called intermittent contract which is basically on an hourly basis which means that we sign you up for shifts. There’s also what’s called a project contract which defines a set period. Say for example, for the next 6 months, you’re gonna be working in this project. During that time you always have a contract, you always get holiday, you get holiday pay. If you’re ill, you get paid, you have to take time off for your children if they’re sick. So you have all of the benefits as long as you have that contract.”

“Another difficulty is that when we compete with other actors for providing services, the City Council often demands a certain level of qualification for our staff. They say for example, in order for you to run this independent living scheme, 80% of your staff needs to have a social work qualification otherwise you can’t provide the service for us. So instead of us competing with other actors, often, we’re competing with commercial profit-seeking companies.”

“For the services that we run, in order to get funding, we have to show that we have very highly qualified staff. So we can’t necessarily employ this people in the social services that we run, but we can employ them in other parts of the organization.”

5.4 Competition with other stakeholders to win bids from the City Council

Competition with other stakeholders to win bids from the City Council was another major challenge which the respondents of mainly the NGO in Sweden said they were facing. This sometimes occurred because whenever there was a project to provide social services, the City Council of Stockholm often advertises them and the best bidder wins the bid. Due to this bidding system, the NGO will be competing with other actors in the provision of the social services. This was challenging to the NGO because if they did not succeed in winning a bid, they might not be able to have more services to provide that
will create jobs for the unemployed. Some comments from the respondents on this included:

“We also run on behalf of the City Council a number of services that we won in competition with other competitors. Some of the competitors have been commercial while others have been NGOs. Like we found yesterday that we’ve won another bid to start in Autumn. The bid is to run advocacy services for people with very severe mental health problems. We also run a number of housing schemes and with all these services, we have a very strict regulated contract with the City Council. This sets out what we are allowed to do and not to do, and we get a certain amount of money for running the services. In a sense the City Council still maintains the responsibility for providing the services. We’re merely service providers without any influence on how the services are structured and what types of services have to be provided. They just say this is what they want to provide when there’s a bid. This is one way we interact with the government. Then, we also sell services to the City Council. When we do that, we decide what type of services we want to provide and we contact the City Council and say to them, this is what we provide, this is our price and the City Council can then buy the services. But this is not the same negotiated deal with the other services where we are service providers.”

5.5 Suggestions on how to Overcome the Challenges

The second research question was for the respondents to give suggestions on how the challenges that they highlighted could be overcome. The respondents in both Finland and Sweden gave one main suggestion: funding. In Finland, the respondents of the two selected NGOs said they need more funding from the government to provide their employees with better training and employment opportunities considering that most of them are employed with little or no training at all. This was the case particularly with Jyväskylän Katulähetyys. Some suggestions from the respondents on this included:

“We need more money to provide our staff with better training.”

Similarly, the respondents of the NGO in Sweden also said the government should provide the NGO with more funding to enable the organization operate more effectively. Some suggestions from the respondents on this included:

“Government should be more relaxed with regards to funding organizations.”

“We need more funding”

6. Discussion and Conclusion

The aim of this study was to find the challenges confronted by NGOs in the implementation of the ALMPs of Finland and Sweden, and how the challenges could be overcome. Jyväskylän Katulähetyys in the City of Jyväskylä and Pirkanmaan Sininauha in the City of Tampere were selected for the data collection in Finland, while Stockholm’s Stadsmission in the City of Stockholm was selected for the data collection in Sweden.

The study found that the NGOs were confronted with four main challenges in the implementation of the ALMPs in Finland and Sweden namely, (1) funding challenge, (2)
credibility challenge, (3) workforce recruitment challenge, and (4) competition with other stakeholders to win bids from the City Council in the case of the NGO in Stockholm, Sweden. Meanwhile, the main suggestion on how these challenges could be overcome was that the government should provide the NGOs with sufficient funding for them to carry-out their activities effectively.

The findings had some similarities as well as differences between Finland and Sweden. The similarities are that ALMPs implementation with regard to NGOs in the two countries is carried out at the local level. Additionally, the government of both countries support NGOs through project funding and other sources of funding to enable them provide social services for job creation. Furthermore, the NGOs also have their own income generating activities to generate funds for their activities (Helander & Laaksonen 1999; Sama 2007; 2012). On the other hand, the main differences were that there is political resistance in Sweden for public money to be given to faith-based NGOs because the Socialists and Social Democrats are opposed to NGOs providing services that traditionally are provided by the government. This was not found to be the case in Finland. Also, while Finnish ALMPs implementation with regard to NGOs is centralized at the local Employment Office from where all job seekers have to be employed, that of Sweden is liberal because Sweden has an open labour market policy. The NGO in Sweden was also confronted with the challenge of credibility because Sweden is a very secular country, which was not the case in Finland. Workforce recruitment was a challenge for the NGO in Sweden since about 80% of their staff had to have a social work qualification otherwise they will not be considered for a bid, which was not the case in Finland. Lastly, the NGO in Sweden competes with other stakeholders to win bids from the City Council and if they did not succeed in winning a bid, they might not be able to provide more social services for job creation, which was not the case in Finland.

The limitations of this study are that this is a case study focused only on two NGOs in Finland and one NGO in Sweden (Julkunen 2000; Lundström & Svedberg 2003). The NGOs were selected because of their large size and employment potentials since they employ a large number of people who work there as both paid workers and volunteers (Jyväskylän Katulähetyys; Pirkanmaan Sininauha; Stockholm’s Stadsmission). Thus, in order to generalize the findings to include the whole country, it is recommended that a more representative number of NGOs be studied in future studies. This study also focused only on NGOs with a religious background in Finland and Sweden because many of the large NGOs in the two countries were founded by the Lutheran Church which has a strong relationship with the State. It is noteworthy that the NGO movement in Finland and Sweden arose out of fundamentally similar traditions as they had their historic roots from the church, where they began as ‘charity associations’ dating back centuries. The historic roots of the role of the church in the Finnish and Swedish welfare system brought about the emergence of NGOs and since then, the State and the Finnish and Swedish Lutheran Church are strongly intertwined (Jaakkola 1994a; Lundström and Wijkström 1997). For example, in 1996, NGOs in Finland employed 82,000 people and 655,000 volunteers (Helander & Laaksonen 1999). Meanwhile, in Sweden, in 1996, NGOs employed 100,000 people and more than 800,000 volunteers (Lundström and Wijkström 1997). Hence, future studies could include NGOs with non-religious background. The practical implication of this study is that the study may be useful to policy makers in the development of policies for NGOs involved in the area of social service provision. The
social implication is that this study may contribute in making NGOs to become more effective in their work. Weighing all the evidence, the conclusion of this study is that Finland and Sweden which are two Nordic welfare states (Esping-Andersen 1990), have similarities as well as differences in the implementation of their ALMPs with regard to NGOs.

References
Ayres L. Qualitative research proposals – part II: conceptual models and methodological options. J. Wound Ostomy Continence Nurs. 2007b; 34: 131–133.


Pättiniemi, P. (2008): Social Economy in Finland, in Laurinkari (ed.).


Pirkanmaa Sininauha: http://www.pirkanmaansininauha.fi/


Särkelä, R. (2004): Role of NGOs in Public Service Delivery in Finland. Available at: www.ngo.ee/orb.aw/class=file&action=preview/id=8597/Riitta+Särkelä.ppt


Statistics Sweden: www.scb.se

Stockholm’s Stadsmission: www.stadsmissionen.se


