Sustainable funding for the Welsh rural voluntary sector: issues of networks, legitimacy and power

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**Sustainable Funding For The Welsh Rural Voluntary Sector:
Issues Of Networks, Legitimacy And Power**

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Introduction

This paper focuses on some of the challenges faced by rural organisations in developing funding sustainability. It presents findings that emerged from an evaluation of Sustainable Funding Cymru, a project sponsored by the Wales Council for Voluntary Action that aimed to develop the funding capacity of voluntary organisations in Wales, UK. Whilst the project has achieved a greater focus on improving the diversity of resources for organisations in the Welsh voluntary sector, we identify factors that render funding sustainability a difficult goal for small rural organisations to attain.

Although the global economic downturn lends urgency to the matter of financial sustainability in the voluntary sector (Donovan, 2009), the issue is not new (e.g., Salamon & Abrahamson 1982; Grønbjerg 1993; Frumpkin & Kim 2001). There is an emerging consensus that voluntary organisations need to broaden their funding base by pursuing financial sustainability through trading and social enterprise activities (Dart 2004), government contracts (HM Treasury 2002; Brown & Trout 2004) and a wider grants base (Carroll & Slater 2008).

Despite a predicted 'belt-tightening' of the sector, the National Council for Voluntary Organisations (NCVO) found that the number of charities in the UK was growing in 2006/7, that income had grown by 3.3% over the past decade, and over half of general charities income came from earned sources (NCVO 2009). One prominent example of financial sustainability success comes from Age Concern England which receives 50% of its income from trading insurance and financial services to the elderly (Wright 2009). Similarly, Brown & Troutt (2004) examined a successful Canadian nonprofit-government cooperative used to provide services in its Family Violence Prevention Programme. Nevertheless, developing a strategy for financial sustainability is not without its pitfalls, and organisations face numerous barriers as they negotiate with different funding sources and partners (Wallace & Mordaunt 2007). This is a particular challenge for small organisations, which often lack the resources and infrastructure of the larger UK-wide nonprofits.

Although promoted as part of a government agenda to improve the capacity of the voluntary sector particularly with respect to delivering government services (HM Treasury 2002), achieving financial sustainability is a challenge for voluntary organisations in an increasingly competitive fundraising arena. Moreover, notwithstanding the current financial climate, these funding strategies may have varying levels of success depending on the geographical area served.

The issues explored in this paper were identified in an evaluation of Sustainable funding Cymru, a project sponsored by the Wales Council for Voluntary Action (WCVA) that aimed to develop the funding capacity of voluntary organisations in Wales. The evaluation involved case studies, interviews, and a focus group of project participants who came from voluntary sector charities, nonprofit organisations and social enterprises delivering a wide range of social and community services. Given the rural nature of Wales, a number of the participants we contacted served rural communities. Although the primary purpose of our study was not to evaluate financial sustainability challenges in these organisations, inevitably, in the context of exploring the utility of the WCVA approach, such issues surfaced. These indicated some important differences in how the rural voluntary organisations dealt with or were challenged by financial sustainability compared to those in more metropolitan areas.

The purpose of this paper, therefore, is to set some of these issues in a theoretical context and discuss potential areas for further research. The paper will first of all explore some contemporary issues concerned with funding success and then discuss the context of the Welsh voluntary sector and its rural organisations. We then discuss some of the data from our evaluation in the context of a developing theoretical framework and question the extent

to which sustainable funding strategies may be pursued successfully by rural organisations. There are some significant barriers that remain unacknowledged by those who advocate such approaches and which deserve further study.

Some paradoxes of funding sustainability

The development of notions of sustainable funding, paradoxically, has grown alongside an increasingly competitive funding environment for nonprofit organisations, especially as the economic downturn has reduced the amount of funding available and created a more competitive state contract environment (Charity Commission 2009). In many ways the drive for more and more fundraising can be seen as a result of both a growth of the nonprofit sector during the early years of the 21st century (as ideas of alternatives to state provision have burgeoned in New Labour rhetoric) and the shift from more or less continuous state grant aid to short-term contracts and competitive tendering. The sustainable funding rhetoric is that fundraising strategies can be planned and rationally pursued. This is evidenced in the mission of Sustainable Funding Cymru. This organisation was funded by the Big Lottery Fund in Wales to emulate a similar unit established by National Council for Voluntary Organisations in England to provide tools, resources and expertise by means of a comprehensive training, advice and information programme. The aim was to:

> *equip organisations with the skills and information to secure and maintain the resources they require in the long-term through diversifying their 'funding mix'.*
>
> Sustainable Funding Cymru (2009)

Through the provision of training events, conferences, one to one advice and support and case studies of successful organisations, the project hoped to increase the effectiveness particularly of small and vulnerable organisations in the Welsh voluntary sector. This was very attractive to a number of organisations. Success in securing funding can involve years of careful planning, relationship building and nurturing of organisational image, as well as strategic choices about how to position the organisation in relation to environmental constraints (Pfeffer and Salancik 1978). Yet, practitioners in the sector are all, as one of our respondents said, 'looking for a magic wand':

> *We work with vulnerable adults – you are trying to motivate them, not knowing if you've got your salary in two months time. It's hard going… it gets harder and harder to keep that smile on your face.*
>
> Training participant

They want there to be an easier way to ensure that their organisation does not exist on the margins, struggling from week to week to ensure that they can pay their staff to provide much valued services without the constant pressure of searching for funding. This is 'Holy Grail' that attracts people to participate in capacity-building exercises such as that offered by Sustainable Funding Cymru.

The work of the organisation was professional and much appreciated by those who attended training sessions or received support in the main, and yet there was a realisation on the part of many that useful as the advice was somehow this did not easily translate into the success they desired. This was not a unique experience. Many organisations felt there were substantial obstacles to success. As we progressed with the evaluation, we came to ask ourselves about what the additional factors were, which prevented organisations from achieving success, and whether there were factors particularly relevant to in the rural areas that worked against organisations achieving sustainability. We now turn to the particular Welsh context.

The Welsh Voluntary Sector

The Welsh voluntary sector differs quite substantially from its English counterpart and has more in common with the sectors in the other UK national regions, Scotland and Northern Ireland. According to the WCVA, in 2007 there were approximately 30,000 voluntary and community organisations in Wales of which only 3.5% operate across the whole of the country and 4% operate in more than one local authority area (WCVA 2007). The rest are tied to one particular locality. Almost all organisations are small. Only 1.5% of organisations have an income in excess of £1 million (and many of these provide housing). Compared with UK national charities, the total income of the entire Welsh sector is equivalent to the income of the top 10 UK charities at £1.5 billion (Intangible Business 2006). A general trend noted in both NCVO's *UK Civil Society Almanac* (2009) and the Intangible Business report (*op.cit.*) is that smaller charities fare less well than larger ones, particularly in relationship to charitable giving with 'minnows eaten up by big fish' (*Ibid.*). This then poses another challenge for developing the fundraising capacity of the sector in Wales.

Beyond the general fundraising challenges faced by smaller organisations, the sustainable funding of the Welsh voluntary sector (and especially its rural areas) is set within three important aspects of its contemporary policy context. Firstly, with the advent of a devolved administration when Wales established its own legislature in 1997, the voluntary sector achieved a formalised partner status not seen when Welsh public service policy was dictated by the UK's government. Secondly, there has been a dominance of public sector funding in the UK since the end of World War II (Bahle 2003), and this reliance on government funding has continued disproportionately in Wales with the institutionalisation of the above partnership scheme and the subsequent availability of European funding. Thirdly, Welsh industry and agriculture (and thus many of its rural and rural-like[1] areas) suffered three important shocks with the decline of the coal and steel mining industry (Chaney 2002), the emerging requirements of EU agricultural policies (Marsden et al. 2004), and the Foot and Mouth crisis (Campbell & Lee 2003).

Devolved relationships

Wales achieved a degree of independence from the centralised UK state in 1997 and established a separate legislature. The enabling legislation required the new government to partner with representatives of the voluntary sector to design and implement policy through a Voluntary Sector Partnership Council (OPSI 1998; National Assembly for Wales 2000). This representative process was considered unique in that government recognised the voluntary sector as equal partners with local government and the Welsh business sector.

Despite the focus on partnerships and nearly half of the voluntary sector's resources coming from public bodies (National Assembly for Wales 2008), what has emerged is a set of institutional arrangements that focuses more on representative governance than on service delivery partnerships. For example, Entwistle (2006) noted that because partnershipping had become enshrined in law with requirements (for even local levels) dictating how different sectors were to be involved, the partnerships developed to be more about addressing representativeness rather than efficiently and effectively providing services:

> *Whereas in England partnership has become something of a pseudonym for privatisation, in Wales for some people at least, it has become a pseudonym for committee or meeting.* (Entwistle 2006, p. 236).

Moreover, local public authorities remain the primary service providers for local communities in Wales although there is a certain amount of contracting out as occurs in England (Bahle 2003).

A reliance on public and EU funding sources

Whilst traditional funding sources for the voluntary sector have come from donations and individual giving (NCVO 2009), the current trend is toward public sector funding and substantial funding sources from the EU, which are administered centrally. Wales has received more than £3 billion in development funding since 2000 from the European Union (EU) through its various funding programmes. Funds have targeted development projects related to workforce enhancement, social and economic deprivation, industrial decline, regional competitiveness, rural development and other areas. Many of the programmes have funded projects located in rural Welsh counties including over £9 million in funds specifically targeting rural development innovation (Wales European Funding Office, 2001). These funds have helped to support a higher concentration of voluntary sector organisations in rural areas than their urban counterparts (Wales Rural Observatory, 2004).

The latest round of EU funding will expire in 2013. This means that helping voluntary organisations to prepare for post-EU funding is a priority and has been the foundation of the WCVA's Sustainable Funding initiative. Government sources (local, national or EU) account for nearly 45 per cent of the current funding of the Welsh voluntary sector (National Assembly for Wales 2008) compared with 36 per cent for the entire UK (including Wales) (NCVO 2009). It is clear that much of the funding of the Welsh voluntary sector – or its civil society, for that matter – has depended on EU funds for the past decade.

While the government and its facilitating bodies, such as the WCVA, have endeavoured to build capacity within the sector to wean voluntary organisations off such secure funding streams, the strong linkages between the sector and government (at all levels) begs the question of whether the sector is prepared to go it alone. Moreover, Sustainable Funding Cymru saw funding diversification as almost entirely as getting better at contracting. For example, despite projects such as WCVA's sustainable funding initiative, government funding for voluntary organisations has increased from 32 per cent in 2003 to 43 per cent in 2007 (WCVA 2009). For rural areas that have been bolstered by multiple EU project funding schemes, the outlook may be even more problematic.

A changing rural economic landscape

The third factor that makes the Welsh policy context unique is that rural policy in Wales must be viewed in the context of a changing rural economic landscape. Much of Wales is relatively isolated and poorly served by public transport, for example over 90 per cent of very small communities in Wales do not have access to bus or train service (White & Hughes 2005). Nine counties are officially designated as 'rural' by the Welsh Assembly Statistical Directorate, and common practice is to designate nearly all of Wales as 'rural' with the exception of a few high density urban areas (Wales Rural Observatory, 2004). The map in Figure 1 depicts the rurality designations of Welsh counties.

Wales has a substantial agricultural sector, which suffered a loss of between £140 - £220 million during the British Foot and Mouth epidemic (National Assembly for Wales, 2002). Furthermore, several of the former mining counties in the southeast of the country also experience similar issues with isolation and lack of services coming from the closure of the mines in the 1980s (Chaney 2002). These are the 'Valleys', and some of the same problems encountered by rural Welsh populations can be found here (further supported by our findings). As transportation and access to services in these areas are limited by the topography of the long thin valleys, populations living there experience similar isolation. Consequently, the valleys are often included within rural development schemes, such as those submitted for EU funding.

Figure 1: Map of Wales showing Welsh Assembly Government Local Authority Classification

Legend
- Urban
- Rural
- Semi-Rural
- Valley
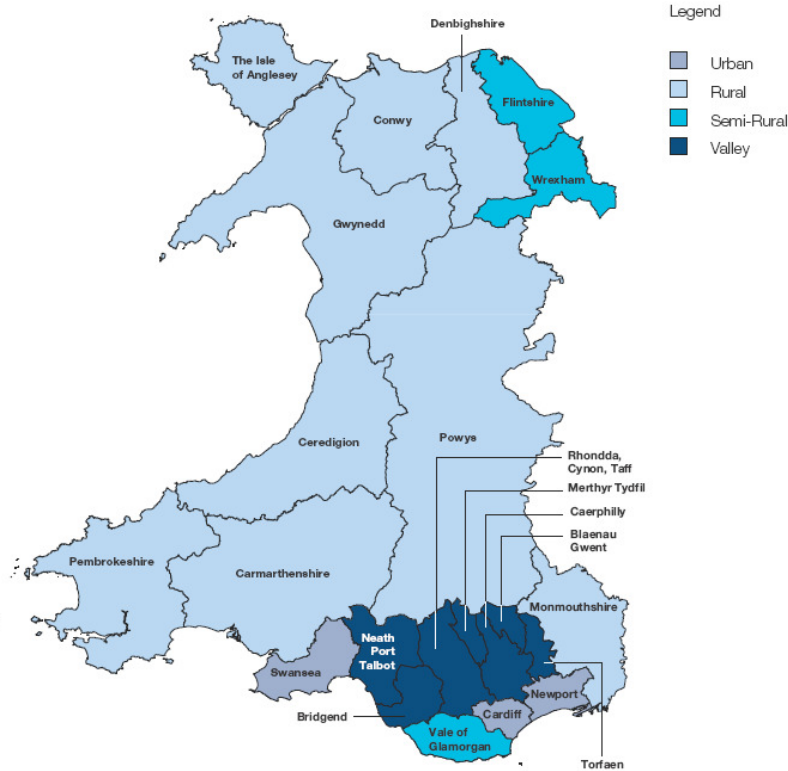
Source: Joseph Rowntree Foundation Commission on Rural Housing in Wales (2008), p. 8

Welsh rural development policy goals can be seen as somewhat differentiated from general goals for the voluntary sector. Although the two share stakeholders, especially in terms of community organisations, what emerges from the various policies and plans for development of rural Wales is a complex set of relationships requiring negotiation, management and awareness. Despite the focus of many of the EU-funded programmes, which appear to support community collaboration and endogenous development, there is a clear story of central decision-making and power that emerges from the discussion.

As Wales moves forward from its devolution, governing and policymaking bodies have centralised. These entities often make decisions on funding priorities, such as in the Welsh *Rural Development Plan* submitted to the EU. Others have noted the centralisation tendencies of the Welsh government elsewhere (e.g., Chaney, 2002; Wales Rural Observatory, 2004; Entwistle, 2006). Despite the Welsh government's self-proclaimed inclusive approach to involvement of the voluntary sector and public stakeholders, the centrality of the funding decisions often means that rural voluntary organisations have much less power and ability to adopt sustainable funding strategies as is envisioned by Sustainable Funding Cymru. The next section of this paper discusses a potential theoretical framework for understanding this complexity of relationships in light of some of the data from our evaluation.

Some theoretical explanations

The sustainable funding of rural Welsh organisations can be analysed using two theoretical approaches. The first derives from network approaches to understanding interorganisational relationships (Ansell, 2000), which we use here to analyse the partnership agenda of the Welsh Assembly Government. The second is Benson's (1975) classic model of network power relations, which we use to critique Ansell's model.

The network approach

In order to gain resources, rural voluntary organisations must engage with some highly complex network relationships. They need to interact both vertically within a mandated set of institutional relations *and* cultivate horizontal relationships both within their own sector and the public sector to be financially sustainable (Murdoch 2000; Entwistle 2006). However, one can characterise these relationships slightly differently. The 'vertical' connections are, in the Welsh context, institutionalised relationships, and they occur not only between local voluntary sector organisations and national governmental bodies but between those organisations and regional and local bodies, as well. In contrast, the 'horizontal' networks – those relationships organisations form within the local sectoral context – can be thought of as implementation networks, which move beyond policymaking and representative governance toward service delivery frameworks.

To understand the dimensions of these two aspects of the networks rural Welsh organisations need to negotiate, we use Ansell's (2000) discussion of networked polities and Benson's (1975) discussion of the relationship between power and resource acquisition within interorganisational networks. Ansell's ideas on networked polities derives from his study of European regional development relationships and therefore appear to have some explanatory power in understanding the complex set of relations developed from a substantial influence of EU funding in the Welsh voluntary sector. One director of a very small community-based organisation in rural Wales commented frankly about the priorities he saw for Wales with the coming expiration of EU funding:

> *There are quite a few [organisations], I think, that don't really grasp that we really have got to change dramatically, because we've got another 6 years of EU funding, and then that's it. There is no more money, so if we don't get our acts together in the next six years, and get ourselves really a hell of a lot more sustainable or even financially independent there'll be an awful lot of organisations like us that will just go to the wall.*
> (Rural community organisation director)

Ansell's (2000) discussion of networked polities in European regional development relationships helps to shed some light on how the Welsh networks developed through EU Structural funds can isolate the very organisations to which they connect. He defines a networked polity as one that is 'functionally and territorially disaggregated, but nevertheless linked together and linked to society through a web of interorganisational and intergovernmental relationships' (p. 303). Ansell (citing Evans 1995) argues that such network polities, as found in the European Structural Funds programme, embed their relations in institutions that govern negotiation frameworks resulting in a blurring of organisational boundaries as goals and policies are negotiated. Such networks proliferate as multiple actors connect to one another in a devolved approach to policy development. The networks become denser, yet the relationships are normatively defined rather than specified as exchange relationships (Ansell, 2000) (see Figure 2).

Figure 2: Network polities
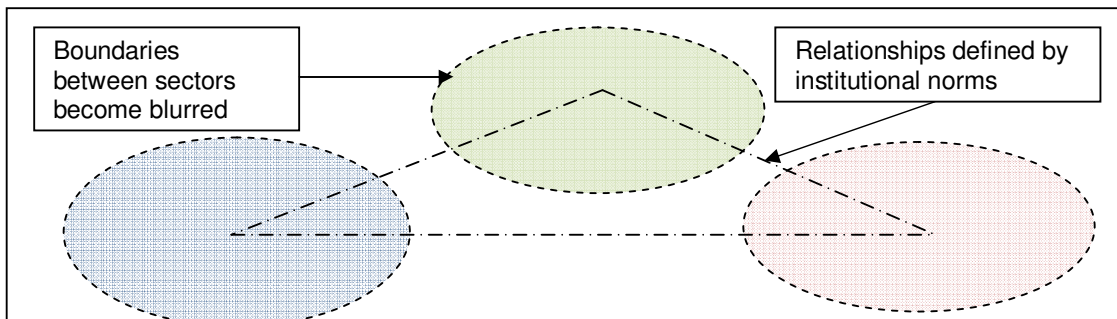
This last point is important in analysing the myriad relationships that must be negotiated by voluntary sector organisations in Wales. As representatives of the sector, organisations have a say in how policies are developed and implemented. In normative terms, the Welsh voluntary sector, including organisations in rural areas, have a certain degree of power to influence and comment on socio-economic policy. In some cases, such relationships will assist in building the trust needed to secure service delivery partnerships and contracts. However, these relationships do not necessarily translate into successful or sustainable financial relationships (such as in Service Level Agreements with local government authorities).

Polity network participation does not equal contracts

In small communities, competition for service provision may come from the local councils themselves as service priorities and funding are managed centrally. In one rural community, the organisation we spoke to had been providing services for several decades and had developed a number of partnerships with local organisations and schools. Yet in the past year, the local authority started to offer the same services to the community without notifying the organisation.

Another charity director explained that despite the contract focus of Sustainable Funding Cymru, her organisation, which derived 60% of its funding from contracts, was looking for other types of sustainability strategies in order to 'cushion themselves through the contracts'. She believed that, in the current financial climate, local authorities were 'clawing back contracts' not to save money but to save jobs:

> *We have been in contracts for 10 years and we are already seeing that they've had their day, to be honest. They've had their day for two reasons: one is the financial environment out there. The local authorities and health boards are madly cushioning themselves from job losses by clawing work back…That may sound cynical, but I'm afraid that's a fact. So even where I can provide a service at probably two-thirds of the cost of what it costs them to do it, they are still choosing to do it themselves…over the last three years, we've lost two contracts that we've had for a significant period of time, for no reason whatsoever, never had a complaint about it…and the only reason we can see is that [the local authority has] put in their own staff. So politically, it's a bad time to talk about contracts.* (Rural organisation director)

In another rural charity, the director had received advice on improving funding through negotiating full cost recovery under the service level agreements with the local authority. She did not have trouble understanding the technical aspects of implementing such recovery plans but found the politics challenging. She explained that she could not afford to 'upset people and lose contracts': doing so might mean the local council offered the contract to someone else:

> *[Funding] can rise and fall on personal politics, unfortunately. All these Service Level Agreements have come about because I've had my feet under the desk at the right meetings. That's what it comes down to…and often you're competing with statutory organisations…so you have to be able to get along.* (Rural charity director)

Despite the kinds of relationships being developed among rural voluntary organisations and government agencies at the local and national levels, dwindling public finances and the looming expiration of EU funds mean that some organisations are finding that their participation in polity networks are not benefitting their organisations' bottom lines.

There may also be a perception by some rural organisations that despite the need for developing a more sustainable funding base, they see many of the larger organisations, which may have a number of contracts, are not recognising the implications of the cessation of EU funding. One rural organisation director noted this when discussing a sustainable funding course he had attended:

> *It was horrifying, especially with some of the people from the big, statutory organisations, and you realise that…all this new policy coming out from the government isn't getting through to them, they really are, I suppose, dinosaurs, [that] would be the best description. And that worries me a bit because we all need to go forward together, and they don't, well, the people I met representing those kinds of organisations don't seem to be getting the picture. I found that disappointing and a bit worrying.* (Director from a rural community-based organisation)

For some, financial sustainability is not only moving beyond grants (from the EU) and contracts (to provide government services) but to become financially self-sustaining:

> *Because I think this whole thing about sustainability, especially in the context of Wales is this perpetuation of dependency because sustainability does have within it an element of dependency and I really do think we have to get away from that culture, completely. We really do have to stand on our own two feet.*
> *(Rural organisation director)*

Rural realities

Another issue that emerged in our evaluation was the difficulty small, rural organisations had in building the capacity of their organisation to pursue sustainable funding strategies. Voluntary organisations often experience challenges in finding the resources to hire qualified administrative staff to expand their capacity and funding base. This is not a new issue. However, in the isolated rural areas of Wales, staffing becomes even more difficult when poor transportation networks separate isolated communities and charities serving small populations. Several of the directors we spoke to said that they were very interested in pursuing sustainable funding strategies but they had neither the time nor the staff to implement these plans. Putting together bids for funding or contracts takes a substantial amount of time, and already stretched organisations can find it impossible to find suitable staff in their area. One rural organisation's director estimated that to employ a staff person dedicated to writing such proposals would add 10% to their overhead. Another director explained that she had found it so difficult to find qualified staff that she had proposed creating a certification centre so that they could develop local capacity to provide services.

The isolation of rural areas can also make it difficult to create cohesion among the trustees on boards. In one case, an organisation's director had wanted to create a more centralised base for operations so that they could move beyond the 'beg, borrow or hire' strategy the organisation used to provide its services. However, the board was unsupportive of the idea and said that 'because of the geographical spread, having a single centre wouldn't necessarily work.' The director said that she thought that broadening her contacts and relationships with other organisations serving her population might be a strategy, but because these organisations were so few and far between, it seemed unsustainable.

Cultivating networks

Not all of the rural organisations we spoke to had encountered such hardships. In some of the cases, success was derived partly from having a strong leader in the effort – often someone with powerful connections within and outside the community. One community-based initiative we studied had a very strong leader who had spearheaded the effort and

brought the community together to develop a series of community-based projects. He was able to bring together a range of professionals living in the community to volunteer time and expertise on the projects. He was also well-connected with national level-politicians and was often called to speak to ministers regarding rural development issues in his area. In another small community effort, the treasurer of the organisation, an incomer who worked on major projects at the local university, had a great deal of experience in fundraising and was able to use that experience and his own networks to assist the community in raising funds for their project.

Again, the importance of strong leadership for voluntary organisations is not a new finding, but we found that some rural organisations struggled to find 'new blood' to ensure that there was continuity and succession. One community organisation director had started the organisation with a small number of colleagues over 25 years ago and had developed strong relationships within the local network. Nevertheless, her focus remained on grassroots efforts and she explained that she did not have the time to develop what would be more political networks to ensure the continuity of her programmes:

> There are so many changes keeping up with it, you know, we can't even be strategically placed in key networks and stuff, because we spend all of our time in grassroots, and I just feel that I want to be out there, and therefore, if I can leave somebody in the workplace to do this work that I'm doing now, I could get along with things that could be more strategic. And I think that's what I'd like to do. You know, it's about having that leadership and coordinating role, as well, because you're talking about succession planning here as well, which I think is about sustainability for any organisation.
>
> (Director of a community-based organisation)

Critique of the polity network concept

The proposed structures of the Welsh voluntary sector, which include representative governance of various stakeholders, blurred boundaries between the state and service providers, and strong network linkages both institutionally and locally, appear relatively good examples of Ansell's (2000) polity networks. In spirit, but perhaps not in reality, the Welsh context appears to embody the three characteristics Ansell identifies for such networks:

1. Polity networks are 'cooperative rather than competitive' but that the network actors have 'overlapping jurisdictions'.
2. Decision-making is made cooperatively, almost as within a 'project team environment', which, he says, may give rise to 'brokering' roles for organisations that 'bridge' between different members of the network.
3. Resources are shared and turf wars reduced among members of the network (than would be the case in more centralised structures).

Ansell argues that the EU's development programmes have utilised this type of decentralised structure to provide for the development of regions (within nation states) and that the regional development agencies serve as these bridges for public-private partnerships in what he sees as relatively autonomous projects. Welsh administrative structures have been more centralised, however, with the Welsh European Funding Office, an executive agency of the Welsh Assembly Government, handling all administration of funds.

Although EU funds have been used to create local partnerships – and we found some to be quite successful – the regional brokerage role is managed centrally in Wales. There is less autonomy for regional (local) projects, and goals for successive rounds of funding have aimed to 'mainstream' initiatives, identify priorities, and to concentrate resources (Macey,

2006). The bridging role, which aims to build trust and cooperation among partners in collaboration (Ansell 2000; Nyman 2004), was in this case directive rather than bridging.

Power and legitimacy

The implication of the centralised network structure is only one aspect of understanding how the Welsh rural voluntary sector is unable to tap into what Ansell assumes to be an empowering, grassroots approach to funding. Benson's (1975) discussion of the political economy that governs certain types of interorganisational networks is useful in critiquing Ansell's polity network. Benson describes six ways that the wider political economy can influence the power of organisations within a network and their control over resources:

1. How concentrated or dispersed the resources are within the network and whether these resources are allocated and controlled by one or a few rather than many organisations?
2. How concentrated or dispersed the power is within a network in reference to policy development?
3. How autonomous or dependent the network is within the greater political economy?
4. How dominant are certain stakeholders within the greater political economy?
5. How abundant or scarce are resources in the political economy?
6. How much control is exerted over networks by the greater environment?

Using these six features of environmental influence we can compare the Ansell's polity network model with what we have found from our data on the rural Welsh voluntary sector (see Table 1).

Table 1: Comparison of Polity Network Ideals and reality in rural Wales

Environmental influence	Polity networks	Welsh voluntary sector
1.Concentration/dispersion of resources	Dispersed	Concentrated
2. Concentration/dispersion of power	Dispersed	Concentrated
3. Autonomy/dependence of network	Autonomous	Dependent
4. Dominance/weakness of network stakeholders	Dominant	Weak
5. Abundance or scarcity of resources	Abundant	Scarcity
6. Cooperative or authoritarian control of network	Cooperative	Authoritarian

As noted in the table, the ideology of the polity network described by Ansell (2000) in reviewing the European funding model reflects a cooperative, autonomous and dispersed set of networks with abundant resources. Our data, albeit limited in scope, show a very different picture of the environmental context for the rural voluntary sector in Wales. It is worth noting here that Ansell's model was developed during a period of abundant resources and positive growth in the European Union and the reality that emerged during our evaluation of Sustainable Funding Cymru was nearly a decade later during a period of time when the inevitable end of EU funding was imminent and the greater financial crisis meant public funding was scarce and dwindling further. Therefore, our critique of Ansell is perhaps, instead, a critique of ideology and rhetoric in the face of real life implementation.

The centralisation of the polity network towards greater power held within the central parts of Welsh government and that government's control over the local networks combined with the relative weakness of the rural stakeholders due to isolated and very small stakeholder

populations has led to a much different picture than what the rhetoric suggested at the time of devolution. The additional challenge of an increasingly dire funding context has created a difficult challenge for rural organisations to identify sustainable funding strategies that can be managed in a much different context than when funds were free flowing. Benson acknowledges that networks will be more open and cooperative, and indeed innovative, when funding is freely available.

Implications and Conclusion

Our evaluation of Sustainable Funding Cymru revealed some surprising findings about the rural voluntary organisations of Wales. During the three years we undertook the research, the funding environment of the sector changed dramatically. Although the general finding was that the project was beneficial and useful to voluntary organisations, we found that rural organisations encountered far more challenges in attaining the sustainable funding approaches suggested by the project than larger, urban organisations. On first glance, the isolation of rural organisations and the communities they serve would appear to be a primary influence for why such organisations struggle to survive. However, we have found that there are much deeper issues at work here, which deserve further study.

Firstly, the sustainable approaches proposed and suggested by Sustainable Funding Cymru and other national bodies require a certain amount of dispersed power and resources in order to allow for innovation and partnership building. Although the voluntary sector is considered to be a primary partner in the design and delivery of public services, the centralisation tendencies of power and resources in the public sector appears to run counter to equitable and open delivery networks. This apparent disconnect between the policy networks (where local and national links can be very strong) and delivery networks (where local and national links can be difficult to manage) should be studied further. Such studies may uncover primary differences between the rhetoric of partnership and shared governance of the polity network ideology with the reality of service implementation.

A second area of study emerging from our findings deals with the challenges experienced by rural organisations in achieving funding sustainability. Sustainable funding strategies, such as contracting, social enterprise, and grants base diversification may be suitable for more populated areas or larger organisations. However, it is clear that such strategies may be inappropriate for rural areas or may need to be better tailored to address rural needs. Despite the strongly rural nature of Wales, Welsh policymakers continue to 'rural-proof' their policies on an ad hoc, retroactive basis rather than develop sets of policies that address specific rural needs (Welsh Assembly Government 2008). If Wales wishes to address the funding sustainability of its voluntary sector, policymakers will need to identify rural-specific policies that take account of the special challenges faced by the rural voluntary sector. Further research into this area is needed to reveal these challenges and to identify possible solutions.

Finally, research should be undertaken to identify how rural areas can better collaborate on a local level as autonomous networks to achieve comprehensive development where the public, private and voluntary sectors collaborate to address the crises in the economic climate. Our data indicate that the lack of joined up thinking in rural policy has created a segregated set of strategies. Some of the more successful community-based strategies should be revisited to see if there are lessons that could be generalised across other rural partnerships. Cross-sectoral and cross-national studies should be undertaken to identify partnership strategies that are effective and efficient in delivering a comprehensive set of economic and social development approaches for rural areas.

This paper suggests that in the competition for funding, rural organisations in Wales encounter a number of difficulties. Being embedded in their communities means they are

constrained by geography. They are unable to compete with larger UK-wide agencies that have more freedom about where they operate. Also their networks become blocked as they are unable to overcome particularistic local power politics. They lack the people, the organisational capacity and infrastructure to identify, mobilise and secure funding. We suggest that national policies and rhetoric often ignore these rural realities and therefore urge strategies for funding sustainability that are very difficult to achieve for the majority of organisations.

Endnotes

[1] As mentioned later in this paper, nine counties in Wales are officially recognised as rural areas based on their population density. However, relatively sparse populations can also be found in the 'valley' counties of the southeast, which are former mining centres. These counties experience many of the same issues in achieving funding sustainability as their rural counterparts but are not officially classified as 'rural'. Therefore, we refer to them in this paper as 'rural-like'.

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