The Third Sector Impact in a Society in Transition

Strategic alliances to improve NGO results
Madrid, October 1. 2015

Karl Henrik Sivesind

Research Professor

Institute for Social Research, Oslo

The EU-project "Third Sector Impact"

⬨ Objective: Create knowledge that will advance the contributions of the Third Sector in Europe

Presupposes:

⬨ A **definition** of the Third Sector

⬨ **Measurement** the output of the Third Sector

⬨ Identification of **impacts** of the Third Sector on other parts of society

Research on impacts is scattered and inconclusive, there is no handbook!

ORGANIZATIONAL COMPONENTS

1) **Organizations**, formal or informal

2) **Private**, i.e., institutionally separate from government

3) **Self-governing**, capable of acting on own authority

4) **Voluntary**, without compulsion

5) **Totally or significantly limited** from distributing profit
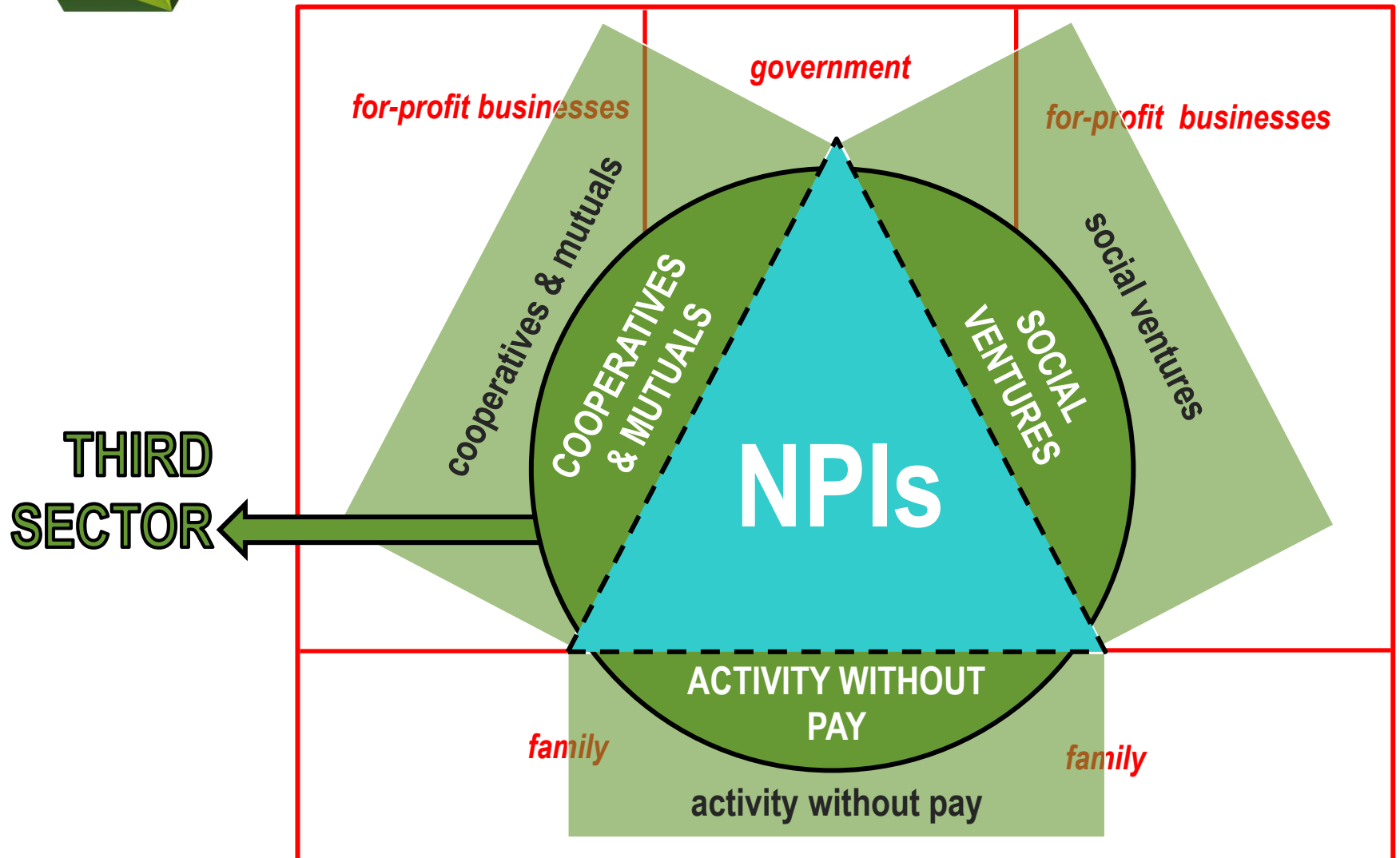
INDIVIDUAL ACTIVITY

1) **Activity primarily for benefit of others, not self**

2) **Carried on for a meaningful period of time**

3) **Not-for-Pay (reimbursement of expenses OK)**

4) **Only for persons outside one's household**

5) **Noncompulsory**

Conceptualizing the Third Sector

government

for-profit businesses

for-profit businesses

cooperatives & mutuals

social ventures

COOPERATIVES & MUTUALS

SOCIAL VENTURES

NPIs

THIRD SECTOR

ACTIVITY WITHOUT PAY

family

family

activity without pay

Impacts of the third sector?

- **Output**: Employment, expenditures, income from different sources, volunteering, membership
- **Impacts**: Social, economic, cultural: 5 focus areas
  - Wellbeing and quality of life
  - Innovation
  - Civic engagement, advocacy, local community development
  - Economic impacts
  - Human resources
- Impact on society at local and central level?
- Impact on individuals: Volunteers, employees, participants, donors, clients, users?
- Positive and negative effects?

Input from stakeholder-meetings

- Two impact dimensions:
    - **Mainstream concerns**: the role of the third sector as a contributor to employment and an economic engine, both directly and indirectly. Here third sector impacts can often be quantified and hence compared directly with the market and state.

    - Truly **distinctive contributions**: engaging citizens, promoting participation, building solidarity, spaces for freedom and unforced activities (Greffe 2003). Such impacts are important because the lives of people and of the communities would be poorer – or at least very different, if these were missing

"Third sector" vs. "civil society"

- Sometimes "the third sector" is also called "civil society"

- For example, the World Bank defines "civil society" as: "The wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others".

- However, I think it is better to differentiate. The third sector is consists of organizations and individual activity with certain defined characteristics
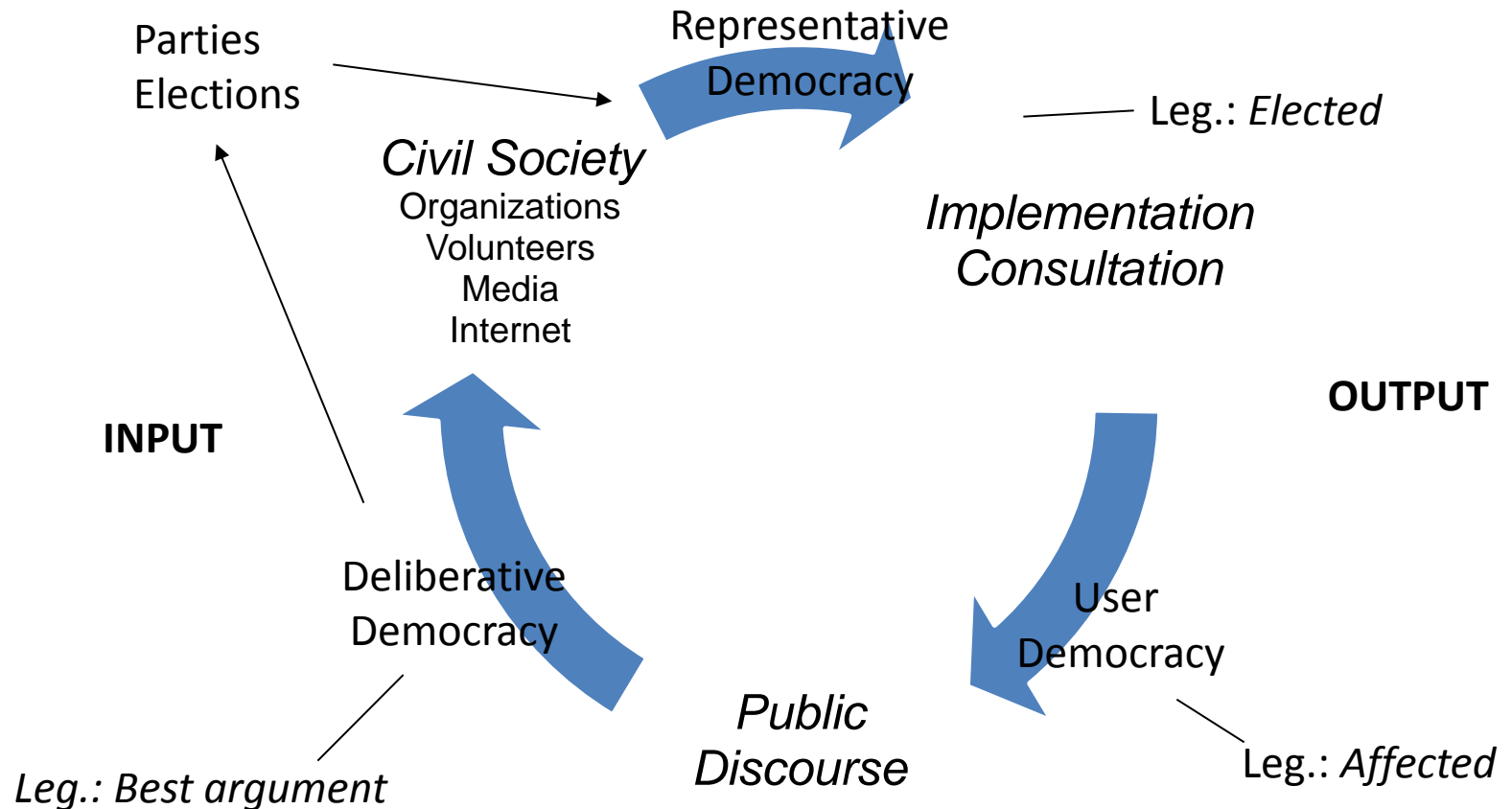
"Civil society"

- A certain role the third sector and other social actors can play in society.

- This role is a necessary infrastructure in a modern democratic state ruled by law

- Civil society is the link between those that are affected by the policymaking, and the administrative and political authorities.

Democratic Cycle of Power

Parties
Elections

Representative
Democracy

Leg.: *Elected*

Civil Society
Organizations
Volunteers
Media
Internet

*Implementation
Consultation*

OUTPUT

INPUT

Deliberative
Democracy

User
Democracy

*Public
Discourse*

Leg.: Best argument

Leg.: *Affected*

Measuring impact. Enhancing visibility.

Create a public social space

- To play a civil society role, the Third Sector must be oriented towards the common good, behave peacefully, recognize diversity, and not seek conflict

- On the other hand, there must be someone that the civil society actor can communicate with representing administrative and political authorities

- Communication must be oriented towards defining goals based on arguments, rather than negotiating power

Example:

Relations between the Third Sector and the Government in Norway

Popular movements in policymaking

- Welfare policies were formed in collaboration and conflict with several parties and popular movements:
  - Farmers, fishermen, smallholders with channels for negotiations and consultation
  - Counter cultural struggle for religion (lay Christian), temperance and language
  - Organizations for sports, women and environment important for policies in their fields
  - Welfare organizations:
    - Pioneers making problems visible
    - Initiating building of institutions and services that often were taken over by the state
    - Promoted increased public responsibility for essential welfare services

Measuring impact. Enhancing visibility.

Golden age of popular movements 1880 - 1960

- Local associations with autonomy and affiliation to national, hierarchical organizational structure
- Broad recruitment of members and sense of belonging to a greater cause
- Stabile channel of communication: Bring local matters to national attention, and information about political and social issues back to the local level
- Popular movements were important for political mobilizations and had strong connections to parties that won power through elections (Social liberal Left party, Labour/agrarian collaboration)
- Result: Political and administrative systems open towards popular movements and interest groups Fight corruption and bad governance

Scandinavia: "State friendly societies"

- The state was to a less extent considered as remote and alien by the popular movements than in e.g. liberal countries:
  - High degree of proximity in terms of communication and contact
  - Dependence by means of finance and control was less prominent
  - General welfare associations and the state joined in search for common solutions to social problems
  - In many cases, the voluntary promoted increased public responsibility even in fields where they had been pioneers and institution builders.

Measuring impact. Enhancing visibility.

From the 1960ies: Decline of the popular movements

- Increased affluence and leisure time: Growth of recreation and culture field and children and youth organizations
- Expanding types of organizations have more informal and less committing relations to members
- Orientation towards activities for members, rather than changing society
- Focus on local identities and local issues rather than broad social questions
- New organizations often lack connections to national networks
- Members view themselves as customers rather than stakeholders with democratic governing rights

Measuring impact. Enhancing visibility.

Reasons for decline of popular movements

- Weakening of collective identities that were formed in social structures based on the primary sector and secondary sectors
- Increasingly differentiated pattern of educations professions in increasingly knowledge based economies
- Social and geographical mobility
- Modernization and secularization
- New public management: Focus on competition, contracts, accountability and control
- Many organizations are still influential on the national level, but have much weaker contributions from members in opinion making processes
- Some new organizations lack local associations
- Management have become more central part of the organizations, members come and go.

Measuring impact. Enhancing visibility.

The Third Sector in Norway today

- The voluntary sector is increasingly focused on culture and recreation

- Organizations are still important in policy making, but are to a less extent able to mobilize members in democratic processes

- Internet and media are getting more important for connecting local and central level, partly replacing hierarchical popular movements

- A large welfare state has resulted in a limited professional welfare service role for voluntary organizations

- In other fields, Third Sector Organizations are still considered an essential contributor in policymaking

Measuring impact. Enhancing visibility.

Conclusions

- To maximize impact, the Third Sector organizations must try to become civil society actors: A link between the citizens and political and administrative authorities
- This implies expanding a social space for public debate
  - Raising issues where there is common interests with the authorities: Humanitarian aid, human rights, etc.
  - Point out more contentious problems: Law and order, corruption and bad governance, etc.
- Partnership on welfare services can build collaborative relations, but may also lead to cooptation
- The Thirds sector must become a necessary infrastructure in a modern democratic society ruled by law

Thank you for your attention.