The Third Sector Impact in a Society in Transition
Strategic alliances to improve NGO results
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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

ACTIVITY WITHOUT PAY

COOPERATIVES & MUTUALS

SOCIAL VENTURES

NPIs

FOR-PROFIT BUSINESSES

FOR-PROFIT BUSINESSES

GOVERNMENT

COOPERATIVES & MUTUALS

SOCIAL VENTURES

ACTIVITY WITHOUT PAY

FOR-PROFIT BUSINESSES

THIRD SECTOR

family

family
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?
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

INPUT
- Parties
- Elections

Civil Society
- Organizations
- Volunteers
- Media
- Internet

Deliberative Democracy

Representative Democracy

Implementation Consultation

OUTPUT
- User Democracy

Leg.: Best argument

Leg.: Elected

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
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.
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
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.
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.
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.