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A strategic unity: defining the third sector

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The need for definition

The focus of this paper is on the use of the term third sector in the UK. It seeks to explain why this concept has arisen in recent academic debate and to explore how we might understand and even define it. This is a contested field, however, and both the definition and the existence of a third sector have been subject to debate and disagreement. There is debate and disagreement because there are different perspectives being brought to bear, including the perspectives of policy makers, practitioners and academics. Differing perspectives are based to a large extent on the beliefs, agendas and constraints which drive protagonists.

These different agendas mean that the notion of a third sector is inevitably a contested one, and may lead some to challenge the relevance of the concept itself. These challenges are expressed in discourses, the language and the messages that we use to communicate when we write or talk about our concerns. It is through discourses that concepts are created and exchanged, and within discourse we can identify the different definitions which protagonists produce from within the agendas and constraints that they are operating.

These discourses have often been dominated by a relative and a negative approach to definition. To distinguish third sector organisations from the public sector they are sometimes referred to as *non-government* or *non-statutory* organisations; and to distinguish them from commercial market activity they are referred to as *non-profit* organisations.

The problem with negative definitions of course is that whilst they might tell us what a sector is not, they are not much help in trying to understand what it is. They also adopt an *exogenous* approach to definition of the sector, describing it in relation to other sectors or other social or legal forms in the public and private sectors. These can be distinguished from endogenous approaches, which seek to identify what might be the core elements of independent action, for instance the International Classification of Non-Profit Organisations (ICNPO), developed at the Johns Hopkins University in the US, which identified organisations by four linked themes: formality, independence, non-profit distribution and voluntarism.

The problem of relative definition is that it inevitably draws boundaries between the sectors and overlooks the transfer or overlap between sectors and the challenges that this brings. Some organisations may operate within both the state and the market sectors, or move between these over time. What is more not all organisations exhibit the absolute characteristics of one sector. Many are hybrids, with elements drawn from different traditions; and the extent of hybridity across the sectors has been growing in recent times.

Policy discourses

Debates about different approaches to definition have been dominated by academics; but it is policy discourses which are most significant if we are concerned to understand how definitions of the third sector are influential in shaping current politics and practice. The views of politicians and policy makers, formally expressed, carry the weight of government power and the democratic process – policy makers aim to shape perceptions and to change practices. These policy discourses have a long history, but most recently we can identify clear shifts in perception and definition. These involved first a move from incremental 'charity-centric' institution building with no clear broader sector scope, to 'voluntary sector' oriented incremental consolidation, influenced critically by the Wolfenden Report of 1978. Then since 1997, there has been a shift to the discourse of partnership and a more directive policy regime that Kendall (Working Paper No.13) calls 'hyperactive mainstreaming' and the creation of a third sector.

Mirroring, to some extent, the developing discourses have been changes in the constitutions and responsibilities of the leading government departments responsible for implementation of policy. Institution building has followed policy rhetoric here. Most significant has been the shift from the Voluntary Services Unit (VSU) to the Active Communities Directorate (ACD) located within the Home Office, followed in 2006 by the creation of the Office of the Third Sector (OTS) within the Cabinet Office. Change here has also included expansion, with a massive increase in the budget administered and a broadening of the scope of the policy brief to include social enterprise. There have also been a range of new policy initiatives introduced focused on the sector including the Compact, defining and controlling relations with government; and major programmes of support for third sector organisations, such as Futurebuilders (now the Social Investment Business), Change-Up (Capacitybuilders) and more recently Communitybuilders.

Discourses from practice

Policy discourses remain for the most part within an exogenous approach to third sector definition. To a large extent the sector is being created and imposed by the politicians and policy makers who wish to govern it. This can be contrasted with endogenous approaches to the definition of the sector from within. Practitioners may be more likely to conceive of a sector being unified on the basis of its intrinsic features or values, and to place these at the forefront of debate and definition. This raises the question of whether from such perspectives we may be able to construct a third sector from the bottom up.

A research literature based on practitioner definitions or bottom-up perceptions of the sector is more difficult to find, however – most practitioners probably think that they have better things to do with their time than engage in definitional debate about the extent which they are operating within a unified sector. However, there is some evidence to suggest that practice discourses do not consistently share the unified third sector model. Not surprisingly practitioners are likely to identify more closely with the core activities of the organisations within which they work and associate any broader allegiances with this mission.

Thus, for example, workers or volunteers in Citizens Advice Bureaux are likely to see themselves as operating within an advice (sub)sector and to look to similar agencies and national bodies, such as Citizens Advice, to promote and support their work, rather than any over-arching third sector umbrella. Such allegiances are also common in other fields, from Housing Associations to social care providers to environmental campaigns. It is the issues and values of their organisational practice that act most to unify practitioners and also to dominate debate about needs for support and development. These allegiances are also frequently reinforced by the role and activity of umbrella

or infrastructure agencies which have been developed to promote and support them, such as the National Housing Federation, or Voice4Change England which seeks to represent a black and minority ethnic (BME) subsector.

Fractured unities

Within discourses of practice, therefore, the unity of support for and benefit from a common third sector policy space may be fragmented. Some of the leading third sector practice bodies, such as the National Council for Voluntary Organisations (NCVO), the Social Enterprise Coalition (SEC), and the Association of Chief Executives of Voluntary Organisations (ACEVO) have been strong supporters of, and contributors to, the third sector discourse. However, it is the larger more well-established organisations, which they largely represent, who have been the major beneficiaries of recent policy and support. Smaller more community-based organisations have been less likely to secure government contracts for services or gain significant support from the 'builders' programmes. There has been talk of a 'bifurcation' within the sector and a growing gap between insider and outside organisations, with the latter largely excluded from the new third sector discourse.

The expansion of political support for the third sector and the policy discourses that underpin this may also be something of a fragile consensus. Within them, for instance, Kendall (Working Paper No13) has identified an unfolding ideological differentiation, with three different 'constellations' or 'camps' now emerging –

- Consumerist discourse – largely based on quasi-market service delivery concerns, promoting the sector as an alternative to state and market failure.
- Civil revivalist discourse – with a state-led focus on third sector contributions to civil order, promoting the sector as a response to a perceived democratic deficit.
- Democratic renewal discourse – with a community focus on group action and engagement of local citizens, promoting the sector as a vehicle for community empowerment.

Strategic unity

There is a major contradiction within these fractured discourses of practice and policy, however. While the actors may be aiming to support distinct subsectors or promote particular models of activity, they are operating across a supposedly unified third sector to do this. Their discourses may protest that there is no underlying unity within the sector, but when they engage with the dominant policy discourses they contribute in effect an 'overlying' unity.

This overlying unity is a product of strategic alliances between practitioner representatives, policy makers, political actors and academic researchers. All have an interest in defending the unifying ideology of a third sector, from which political profile, policy support and financial backing for this broader sector can be extracted. All also have an interest in promoting a discourse of unity as all may potentially benefit from its higher profile and greater social penetration. In this sense therefore the notion of a third sector in the UK is the product of a particular constellation of interests and alliances within the context of a developing broader policy regime, focused on a particular vision of a mixed economy of welfare, within which political and practical support for the sector has risen dramatically.

This current construction of the third sector is a product of the recent changes in political power and policy direction brought about by the Labour government and their commitment to the hyperactive mainstreaming of horizontal support for the sector. It has promoted a particular model of a third sector at a particular point in historical time. It is not necessarily an entirely clear cut model. The location of the sector is something of a 'tension field' between other sectors and the boundaries between all are porous and overlapping, and this can lead to a hybridisation of the sector which may

challenge any potential core values of voluntary action or social enterprise. But blurred boundaries are still boundaries, and for the most part most commentators are agreed about what is within (and outside) them.

The discourses which have constructed a united third sector in the UK are therefore very much a product of strategic alliances within and across the political, policy and practice divides. There is a strategic unity in defending a particular ideology of a single sector which these discourses spell out. Undoubtedly this is a fractured, and potentially fragmentary, unity, constructed in large part by practitioners and policy makers who know that there is much that divides as well as unites them. What is more the current constellation of policy and practice discourse is a product of the particular policy context of twenty-first century UK politics. And future political and policy change may reshape the notion of a sector again, particularly perhaps if cuts in public expenditure lead to the withdrawal of some of the horizontal support which has united the sector in strategic alliances.

However, it is powerful and influential discourses that dominate debate and create hegemony. In the current conjuncture these powerful discourses have established hegemony around the notion of a homogenous third sector. The third sector has been constructed as a site for policy intervention and policy support, and as a space for actors to share experiences and strengthen practice - third sector actors can learn from and support each other, and together can influence others, even whilst acknowledging internal diversity. Most significantly perhaps internal diversity has been incorporated into the presentation of a sector constructed with a breadth and profile to stand alongside, and even to challenge, the public and private sectors. For instance, the annual NCVO Almanac has over recent years catalogued the inexorable growth of the sector in terms of all measures of income, expenditure, employment and more - and has recently been extended to report on a broader civil society sector.

It is also an effective unity, and it has changed the way in which third sector organisations are understood and supported in the UK, leading to extensive horizontal support for sector organisation and closer contact with government policy makers – a seat at the partnership table. And it has been supported by discourses from within by those who wish to appeal to the shared strength that a distinctive sector can bring and from this to defend an ideological space which permits them to speak to government on behalf of a broad and indispensible constituency – as the 'summit meetings' with OTS Ministers on the impact of the recession organised at the NCVO in 2008 and 2009 testify (and from which a package of support for the sector came). Strategic unity seems to be working here; and perhaps never before has the sector felt so strong and been so respected. These are powerful drivers for strategic unity, which even political change or reduction in financial support may find it difficult to displace.

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