

Briefing Paper 50

Hybridity, diversity and the division of labour in the third sector: what can we learn from homelessness organisations in the UK?

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Introduction

Both nationally and across Europe, the growing preference for third sector involvement in service provision has been concomitant with an increasing emphasis on monitoring the performance of organisations that receive state funding, and the development of competitive quasi-markets amongst prospective third sector providers. These changes have not only affected individual third sector organisations (TSOs), but have also disrupted and challenged our understandings of how the third – or voluntary – sector might be defined and its boundaries delineated. The ‘blurring’ of the boundaries between the different sectors that comprise the welfare mix is not a new phenomenon, but has arguably been accentuated through the increasing adoption by some TSOs of values and practices associated with the state and market sectors. The notion of ‘hybridity’ has consequently come to the fore as a means by which we might better understand and conceptualise the third sector.

This paper demonstrates that debates about hybridity can help draw attention to the differing resource requirements and capabilities of different types of TSO, and enable us to anticipate variations in the impacts of policy interventions across the third sector. This is particularly important in the contemporary UK context: the Coalition government’s Big Society agenda is likely to entail a still greater emphasis on the role

of TSOs in public services than did New Labour’s Third Way. If the Coalition government’s rhetorical emphasis on the role of volunteers in service delivery is reflected in resource allocation decisions and policy interventions (or indeed a lack of them) it will mean a significant change in trajectory for many TSOs.

The welfare pyramid model presented in this paper was developed by bringing the findings of a recent empirical study into dialogue with broader theoretical debates about the third sector. The empirical research explored the impacts of government contracting on 20 TSOs providing homelessness services in Hampshire and Southampton in southern England. The full working paper begins by describing this study and goes on to engage with debates about hybridity, relating these to the roles, characteristics and experiences of homelessness TSOs. This briefing paper summarises some of the main points.

Hybridity, homelessness, and the welfare mix

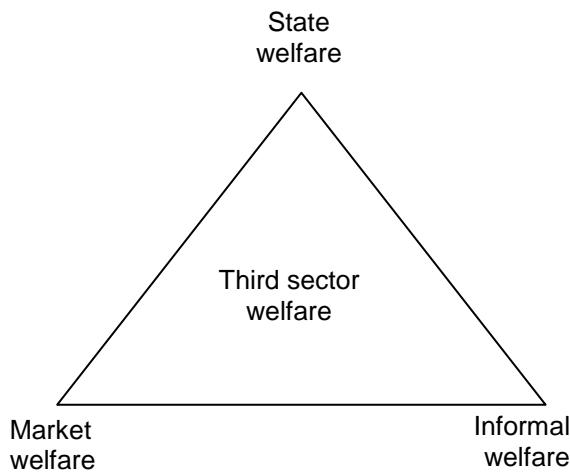
The prolonged dominance of TSOs in providing services for single homeless people in the UK can partly be explained in terms of the ‘failure’ of other sectors to meet their needs. These failures may arise because of neglect, resource insufficiency, the inherent limitations of particular welfare sources, or due to barriers that make it difficult for single homeless people to access welfare provision. However, the barriers and

shortcomings associated with the other sectors do not in themselves provide a sufficient explanation for the importance of the third sector in compensating for them: there must be certain comparative advantages that enable TSOs to overcome some of the other sectors' limitations. To address this question, we need to place the third sector in the context of the welfare mix.

The welfare mix refers to the way in which the welfare needs of a population are provided for by a combination of different sources (or sectors), the configuration of which varies over time and space. Work on this theme initially identified three main sectors: the market, the state and the informal welfare sector, the latter being made up of the support that families, friends and neighbours might provide for one another.

However, as political and academic interest in the third sector increased, Evers (1988) observed that voluntary organisations (as he termed them in that text) also contributed significantly to people's welfare but did not fit into any of the three sectors within the 'welfare triad'. He suggested that the third sector could be understood as existing within a triangular 'tension field' between the three other sectors.

Figure 1: The welfare triangle (after Evers, 1988)



Within the 'tension field' organisations can be conceived of as moving along different trajectories towards or away from the other sectors as their characteristics and relationships change over time. Thus we can envisage the third sector as having a periphery populated by organisations whose characteristics closely resemble those associated with other sectors. However, it is difficult to discern which attributes characterise

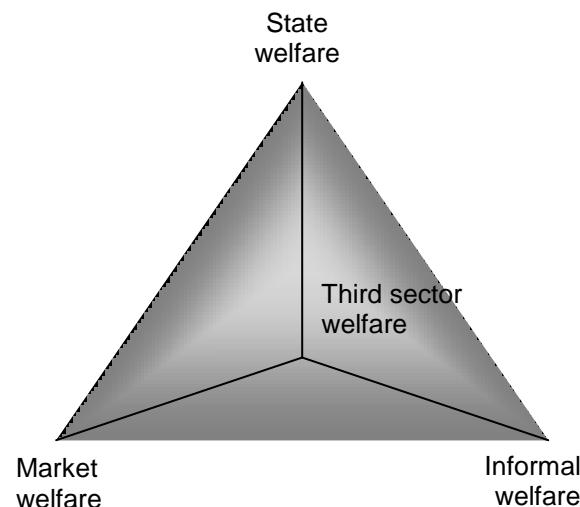
organisations located at the central 'core' of the third sector.

The triangular tension field model circumvents this problem because it does not afford the third sector a distinctive identity of its own, suggesting instead that TSOs' distinctiveness lies in their hybridity or (in other words) their ability to combine the values and practices of the other sectors (Evers, 2005). However, all welfare sectors exhibit such hybridity to some extent. One might consider, for instance, the increasing importance of corporate social responsibility in private markets, or the introduction of quasi-markets within state welfare services. Furthermore, much of the literature on the third sector is underpinned by the premise that there is something distinctive about the sector (e.g. Osborne and McLaughlin, 2004; Cairns *et al.*, 2005), and although this is not always precisely specified or agreed upon, even those who appear to endorse Evers' hybridity thesis continue to advocate further research into whether there exists a unique 'third sector rationality' (Brandsen *et al.*, 2005: 761).

The welfare pyramid

In spite of its diversity and hybridity, the third sector arguably does have some typical characteristics, suggesting that it should be afforded an identity of its own within models of the welfare mix. This paper proposes a modified version of Evers' triangular model – the welfare pyramid – which responds to this problem whilst retaining the original model's power to conceptualise hybridity.

Figure 2: The welfare pyramid



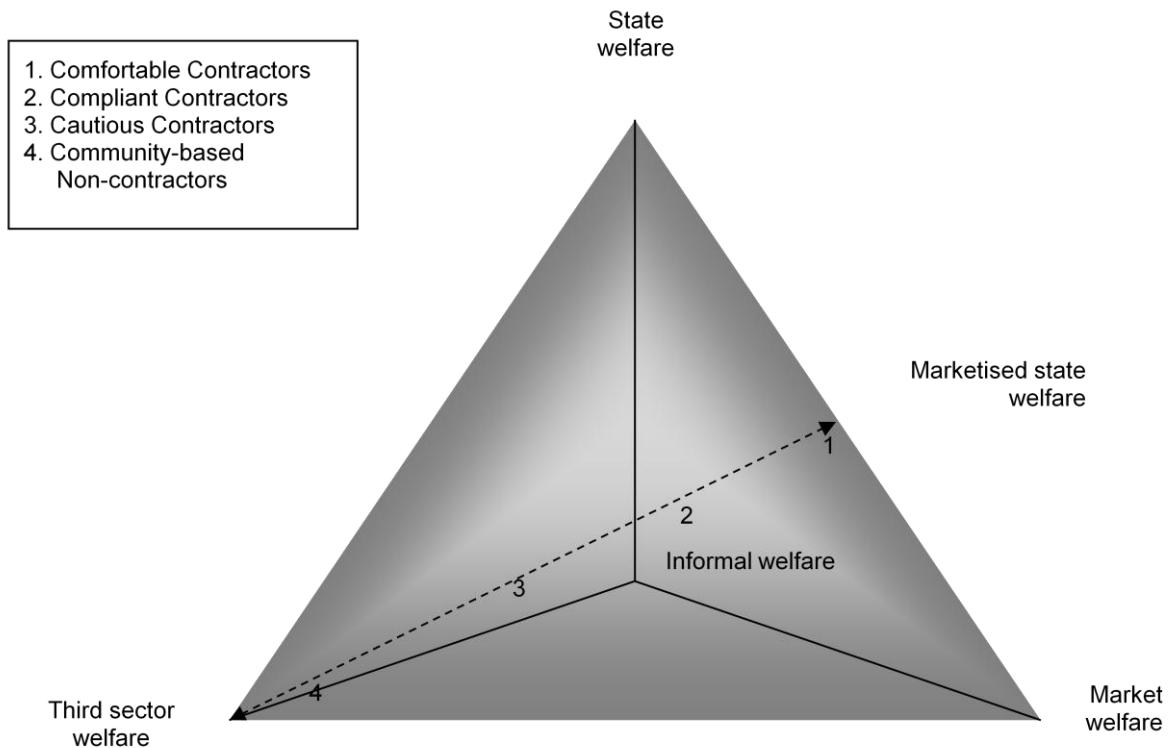
By introducing a third sector vertex, the welfare pyramid gives the third sector an identity of its own, rather than simply being conceived of as a hybrid of the other sectors. Secondly, in this three-dimensional figure the third sector is displaced from its central position (see Figure 3, for example), meaning that the model no longer places disproportionate emphasis on this sector and is not weighted towards the conclusion that hybridity is unique to the third sector. Thirdly, the tension field becomes a three-dimensional tension zone containing organisations from each of the four sectors. Each vertex represents the core of each sector, at which the typical characteristics associated with that sector are most closely satisfied, but each sector extends into the tension zone, as long as the characteristics associated with that sector remain dominant. **The tension zone therefore remains a**

space of hybridity, but is not occupied entirely by the third sector. Individual TSOs can therefore be located within this three dimensional space according to the characteristics they exhibit.

Positioning homelessness TSOs within the welfare pyramid

The welfare pyramid allows us to conceptualise the movement of TSOs towards the state, market or informal sectors over time. There was certainly evidence to suggest that such transitions were being made by the homelessness TSOs studied. Crudely, the quality measurement processes could be seen as more characteristic of bureaucratic state administration processes, whilst tendering was intensifying competition amongst TSOs and encouraging them to maximise cost-efficiency, principles typically associated with the market sector.

Figure 3: Positioning homelessness TSOs within the welfare pyramid



The different types of homelessness TSO identified in the study (see full working paper or Briefing Paper 41) can be understood to occupy different positions along a trajectory, as Figure 3 shows. The Community-based Non-contractors most strongly reflected the characteristics

associated with the third sector, and are therefore located at the 'core' of the third sector. By contrast, the Comfortable Contractors were closest to the marketised state in terms of their values and practices. The Compliant and Cautious Contractors were positioned in between

these poles. For the majority of the Compliant and Cautious Contractors the third sector vertex represented their approximate historical point of origin: the processes involved in state contracting had contributed to their migration towards their current position. Some providers had originated as Comfortable Contractors, having been established in response to the availability of government funding. The welfare pyramid also reveals some of the alternative pathways that TSOs might pursue. Organisations could also move back towards the core of the third sector, for instance by increasing their use of volunteers or voluntary income, or by becoming more independent from the state. The implications of TSOs' differing positions within the welfare pyramid in terms of their roles, strengths and weaknesses and the tensions they faced are discussed in the full paper.

Implications for policy, practice and research

The paper highlights the need for a more nuanced political approach to the third sector: the organisations within it differ greatly in their characteristics and serve very different functions. The Coalition government currently seems to be promoting two contrasting areas of third sector activity in particular: firstly the role of volunteers in public service provision, and secondly, that of social enterprise. However, thus far there seems to have been no explicit recognition of the different capacities and niche roles associated with different third sector (or civil society) actors: if public services are to be delivered effectively, and other policy objectives achieved, it will be essential for policy makers to identify and make transparent which actors they are seeking to involve for which purposes, and to ensure that these purposes are well matched to the capabilities of the actors in question.

Many of the TSOs relied heavily upon government contracts and housing benefit payments, and the spending cuts announced in 2010 will have major implications for these organisations. Providers

may be unable to maintain the improvements in quality and capacity achieved thus far, and some may choose to opt out of providing homelessness services altogether, particularly where this is not their core business. Some TSOs may be able to access new resources through social enterprise activity (Teasdale, 2009) but while this may allow TSOs greater autonomy from the state, the need to make a surplus (albeit one that is re-invested in the organisation) will exert a different form of control over organisational values, practices and longer term strategies. Furthermore, as state control is reduced through income stream diversification, so too, the government's ability to redistribute resources equitably over space and to match provision to needs will be significantly reduced.

The fact that certain types of providers are better suited to meeting particular needs underlines the need for communication and co-operation within the third sector in order to provide a holistic and cohesive response to single homelessness. The welfare pyramid may have an applied function as a tool to help third sector practitioners reflect on their organisations' current position and – if necessary – develop strategies and responses that will enable them to move towards a position which corresponds more closely with their aims, values, resources and specific strengths.

Finally, there is a need for greater precision in academic debates about the third sector and for more carefully differentiated accounts of the impact of policy and funding changes on TSOs of different types. Given the limited sample size and scope of the evidence base, it is not my intention to present the welfare pyramid model as a theory that necessarily applies in other geographical or service provision contexts: however, it may serve as a conceptual framework to aid reflection on the different trajectories being taken by TSOs and the diverse and changing roles that they play in welfare provision, thereby enabling theoretical debates about hybridity to be traced through to their political and social implications.

This paper is part of the Third Sector Research Centre – Briefing Paper Series. See www.tsric.ac.uk for more details and a copy of the full Working Paper 50.

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