

Chapter 1

Third Sector Research: The Construction of a Field of Study



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More than 30 years ago, the ground-breaking work by Lester Salamon and Helmut Anheier launched global interest in research into the Third Sector. Their *Voluntas* articles from 1990 remain the most highly cited in that Journal, essential Third Sector reading. The *Johns Hopkins Comparative Nonprofit Sector Project* (CNP) studied the scope, structure, financing and role of the nonprofit sector in more than 45 countries in the world and involved a network of over 150 researchers, 90 funding organizations and several hundred nonprofit and philanthropic leaders in six continents.

Nevertheless, the world is changing—Third Sector organizations and movements remain vitally relevant and yet, the changing environment and definitions of Third Sector organizations, availability of new data sets, gaps in the countries and topics studied, point to the need to take stock and ensure that future Third Sector research is relevant and impactful. Furthermore, the relevance of the Social Origins Theory developed from the CNP is now questioned.

This book was birthed from the Plenary Session “Mapping the Nonprofit World: The Global Comparative Project” at the 15th International Conference of ISTR held in Montreal—Canada, in July 2022 in Tribute to Lester Salamon, with a keynote speech from Helmut Anheier and comments from several participants of the

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CNP—Edith Archambault, Leilah Landim, Jacob Mati, Naoto Yamauchi and Dennis Young—and moderated by ISTR first president Benjamin Gidron.

As a result of this panel, a webinar series was promoted by ISTR and held from March to June, 2023 to further explore the challenges laid down in Montreal. We agreed there was a need to open a discussion within the community of scholars and researchers of Third Sector research on the current state of health and on the future development prospects of studies on the Third Sector worldwide. Further, we wanted to introduce Third Sector research to scholars who have not previously considered it by providing insight into the research process and possibilities for future research into the fascinating Third Sector where research can have great impact.

The aim of this book is not to set up a “research agenda” but to illustrate, comment and criticize the state of the art and to highlight future possible pathways in which Third Sector research could progress. We seek an inclusive dialogue that, through encouraging diverse voices, shapes our collective understanding of the sector, its potentialities and thus to ameliorate prior difficulties. To our knowledge, there are few works that have attempted to move beyond last century’s definitions by Anheier and Salamon (except to say that they are outdated), and this book seeks to spur further research drawing on up-to-date databases and frameworks.

As expanded on in Section II, we take a broad approach to defining the Third Sector as a research space to include civil society in all its forms, i.e. non-profit organizations and NGOs, voluntary associations, social economy organizations, community organizations, self-help and mutual support organizations, foundations, endowments, as well as other manifestations of civil society globally and locally, such as social movements, formal and informal networks and social forums, unions, faith-based organizations, co-operatives, philanthropic practices and volunteering. Some of these forms are more prone to contention and values conflict than others. Hence organizations within the “Third Sector” will also encompass the shadow side and uncivil origins that are not part of prior theorizations.

Defining the Third Sector is doubtless a wicked problem and is widely recognized as the first “big issue” in Third Sector research, with strong dependence on the seminal work by Salamon and Anheier from the 1990s. It is evident that we need to revise our knowledge and comprehension of the Third Sector in the twenty-first century. This is crucial to ensure that further research in this field remains relevant and has a positive impact. The changing nature of nation-states, as well as the way in which the Third Sector interacts with the State, corporates, and the wider civil society, makes it necessary to update our understanding. Third Sector research is inter-disciplinary with researchers from sociology, public policy, strategic management, business generally (accounting/ economics/ marketing/ etc), all of the areas where Third Sector entities operate (such as health, and social work), and for those interested in research methods.

In his keynote speech at the Montreal conference, Anheier identified four main areas (or domains) posing challenges for developing research on the Third Sector in the coming years. These domains are *theory, definition, classification and aggregation* (data). Engaging with the ISTR community, we developed a cycle of webinars organized in six appointments, each dedicated to dealing with one of these areas,

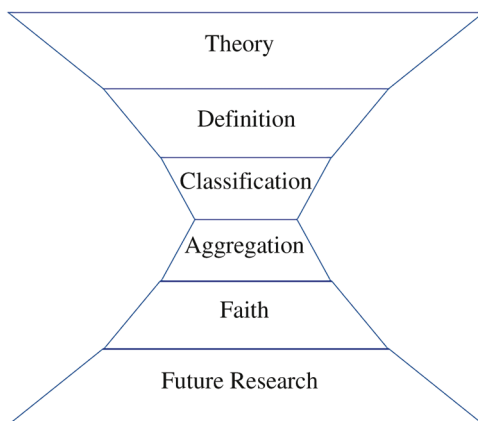
plus one dedicated to faith and the role that the religious dimension plays in relation to civil society. A final meeting aimed to summarize the debates and explore new research opportunities. These are reflected on in this book. The series of webinars met with significant success in qualitative terms (richness of the debate/scientific comparison) and quantitative terms (over 120 scholars and researchers worldwide participated in the sessions through debate and discussion).

Webinar presenters were selected for their expertise, and each panel was diverse in terms of geography and research career stage. Following the webinars, the speakers were invited to write chapters enriched by their initial presentation and the reflections that emerged during the debate. Additional scholars were selected to comment on these chapters, further expanding the diversity of input. Hence, this volume offers the international scientific community the results of this process with the hope that it will form the basis for a new generation of scholars and researchers in the Third Sector to continue the path traced so far “on the shoulders of giants” and to open up new avenues of research. By providing updates on the debates this book is a way forward to empower future relevant and impactful international comparative research.

Therefore, the book aims to gather the international scientific community to collaborate in establishing an agenda for future research concerning the Third Sector worldwide. By moving from the abstract level of theory to more empirical Sections—through definition, classification and aggregation, we range from macro to micro approaches (throughout the meso dimension) as show in Fig. 1.1 below. Following the themes of the seminars (and domains introduced by Anheier), the book is articulated in five Sections that are organized to move from “theory” to “definition” and “classification” towards “aggregation” (measurement, counting), plus one Section dedicated to the relationship between Third Sector and faith/religion. The sixth and final Section aims to synthesize the scientific conversation developed in the five previous ones and open up new research paths for the future.

The book addresses fundamental questions about the Third Sector, including why it exists (*ontological*), what it is (*epistemological*), and how it operates

Fig. 1.1 Progression of the book sections



(*methodological*). The chapters draw on multiple disciplines, such as sociology, political science, economics, management, political economy, and public administration. They examine the complex features of civil society organizations, considering their cultural, historical, political, and social aspects, as well as the institutional environment where they operate.

Contemporaneously, the book attempts to consider a variety of points of view. It comes from different geo-political areas and cultural traditions along the axes: North/South and East/West. Considering the remarkable diversity among our authors hailing from various corners of the world, we are deeply committed to addressing concerns against Western-centric discourse. Our primary objective is to amplify and embrace the rich array of approaches, points of view, and perspectives from the Global South, ensuring that a significant number of our authors come from these countries. Through this deliberate emphasis on inclusion, we strive to foster a truly global dialogue that honors and celebrates the diverse voices shaping our collective understanding.

Overviews of Third Sector research are provided by Hoelscher et al. (2022) and Biekart and Fowler (2022). The former speaks to the past with the latter providing a future of civil society research building also on webinars. However, it specifically focuses on civil society—in effect an overarching term of which the Third Sector is a sub-set.

Other books considering research in the Third Sector present research into aspects of the Third Sector—for example, Powell and Bromley (2020) and Taylor (2010), which consider different types of Third Sector entities (e.g. schools, environmental entities, social enterprises), governance and fundraising etc. Other books consider specific issues such as management of organizations (e.g. Coule & Brain, 2021), or how to research the Third Sector itself (e.g. Dean & Hogg, 2022).

Hence this book stands as a valuable contribution to the scholarly discourse on the Third Sector and civil society, distinguishing itself by its forward-looking perspective and emphasis on the future rather than dwelling on the past. While Hoelscher et al.'s "Civil Society: Concepts, Challenges, Contexts" and Biekart & Fowler's "A Future Civil Society Research Agenda" provide insightful analyses and research agendas, our work complements them by delving into contemporary issues and anticipating the evolving landscape of civil society. In contrast to books like Powell and Bromley's "The Nonprofit Sector" and Taylor's "Third Sector Research," which focus on various aspects of the Third Sector, including governance, fundraising, and diverse entity types, our book addresses unique market and competition considerations within civil society, offering a specialized perspective that extends beyond typical research boundaries. Moreover, while other works explore specific facets like organizational management or research methodologies, our book broadens the scope by integrating these aspects into a comprehensive narrative that guides readers in understanding and navigating the challenges and opportunities that lie ahead for civil society studies.

We now provide a summary of the different sections developed by the invited authors and commentators. Commentators have been added to each section to bring in the richness of different contexts. First, we are grateful to Steven Rathgeb Smith,

Patricia Mendonca, Taco Brandsen for commenting on theory in Third Sector research and to Dennis Young for his commentary (**Part I**).

To enable international research requires suitable comparators and theories of the nonprofit sector play a central role in shaping the research agenda for scholars. The *International Classification Nonprofit Organization* (ICNPO) project and the social origins theory developed through the *Johns Hopkins Comparative Nonprofit Sector Project* (CNP) by Salamon and Anheier were influential in our understanding of the differential cross-national role of the Third Sector and its relationship to government. This section captures the first panel in the ISTR with prominent scholars of the Third Sector to discuss the relevance of current theories of the Third Sector, given recent scholarship and ongoing organizational and policy changes affecting the sector. While these presenters provocatively suggested that the Social Origins theory must be completely replaced, there are numerous opportunities to explore those complex challenges in theorising for the next generation for the Third Sector.

Part II examines definitions. Here Caroline Andion, Andrea Bassi and Anna Domaradzka (along with commentary by Ingrid Srinath) explore definitions which are key elements of the scientific process. Definitions consist of the tracing boundaries in order to distinguish what is inside and what is outside a specific research field.

Definitions change during space and time. In this field many definitions have been developed around the world, such as: Independent Sector, Voluntary Sector, Nonprofit Sector (in USA); Charitable Sector (in UK); Intermediary Sector (in Netherland and Germany); Social Economy (in France, Belgium, Canada-Quebec). More recently, there has been a tendency to gather studies and research concerning the organized part of Civil Society under the label “Third Sector”. That seems to be more neutral and recognisable worldwide.

There are many purposes for definitions: theoretical (to establish a field of study) and operational (aimed at carrying out empirical research). Moreover, definitions of the same phenomenon vary in relation to scientific disciplines (economics, sociology, political sciences, etc.), approaches and paradigms (functionalist, structuralist, phenomenology, hermeneutic), epistemology (realist, constructivist, etc.) and methodology (quantitative, qualitative). Hence, this section broadens its definitional list to compare and judge the principles and standards for definitions in this field and to recognize volunteering.

This Section therefore considers the “pros” and the “cons” of diverse Third Sector definitions worldwide, in order to take into consideration the historical institutional context of civil society organizations and, at the same time, to allow for aggregation (mapping the sector) and making comparisons possible. Finally, definitions must be open to the future, in order to consider the co-evolution of institutions and the appearance of new forms of Third Sector organizations. Thus, the authors critically reflect on how definitions are impacted by issues of power and knowledge production and the limitations or implications in this, in particular countries where civil society may be at odds to the nation state.

Part III provides contributions from Alasdair Rutherford, Megan LePere-Schloop and Nur Azam Anuarul Perai, with a commentary by Inés M. Pousadela on Classification. There is a long history of classifying the activities of Third Sector

organizations, and ongoing discussion around the conceptual and practical challenges of doing so at scale. The increased availability of machine-readable data and documentation, combined with technological advances, has increased the sophistication with which this can be done. As a developing area, much of the discussion in the field has focussed on the technical aspects of classification using computation approaches. This section critically discusses both how the theory and practice of nonprofit classification has developed, the opportunities for taking this forward, and the challenges which need to be tackled in future Third Sector research.

Standardised classification schemes (such as ICNPO) provide harmonization and consistency in the recording of nonprofit activity across countries. Nevertheless, challenges exist in ensuring that the rich diversity of nonprofit activity is adequately represented in a standard classification. Are social media mediated forms of self-organized nonprofit agency included? As well as cultural differences in activities, there are also institutional differences in how activities are recognized, understood and recorded. Further, it is unclear where uncivil actions and their nonprofit protagonists—January 6th insurrection, the Patriot Boys in the USA—fit into a classification system. How is organized resistance by nonprofits to foster democracy/counter abuse of rights to be classified, by whom through what process? Classifications should be able to include the “uncivil” and “self-organized” classifications along with others. While these drawbacks are acknowledged, there are also strong benefits for international comparative research from the implicit framing that comes from using a standard classification, as well as how and what is recorded in the source data. Technological advances, including machine-learning and automated content analysis, provide the opportunity to utilise ever greater data in the classification process.

In examining how our existing standard classifications capture the diversity of Third Sector activity across cultures including social media mediated forms of self-organized nonprofit agency this section considers the role of culture and tradition on datasets. The structured nature of these suggest that there is little room for uncivil actions and their nonprofit protagonists in any classification systems. Therefore national classifications often fail to include organized resistance by nonprofits to foster democracy/counter abuse of rights as it is difficult to classify or to find a process.

In the second chapter of this section the authors apply a critical lens to a number of questions, including how the increased availability of digital data can support more sophisticated classification systems. This enables an assessment of the opportunities and challenges that technologies such as machine learning and artificial intelligence bring to the process of classifying Third Sector organizations.

Thus, the prior two pillars combine with the advantages and limitations of developing methods to apply to the data to support classification: the theoretical and conceptual model of what to classify; and critical consideration of the data and data-generating process on which a classification is based.

Elizabeth Bloodgood, Ksenija Fonović, and Francisco Santamarina along with commentator Susan Appe present **Part IV** on Aggregation. It has been 20 years since the publication of the 2003 United Nations Handbook on the System of

National Accounts, which represented the first major recognition by the international statistical measurement systems architecture of the economic relevance of the nonprofit sector in national statistical accounting. Since its publication, this international standard setting approach for data collection, measurement, and reporting of national data has been joined by others managed by international bodies including the United Nations, World Bank, OECD, and Open Government Partnership. Collectively these international data projects have increasingly improved in their recognition and measurement of broad sets of Third Sector organizations, philanthropy, and volunteer work. These international organizations have provided important opportunities to produce foundational comparative data that bring new visibility and credibility to the Third Sector and volunteering. Closures of civic space and regime mistrust of Third Sector organizations seen in many countries can also be aided by aggregated research data.

However, the quality and accessibility of the administrative systems in place at the national level limit the potential for research to bring visibility. National statistics agencies need to be able to identify organizations in-scope for surveys, and rely heavily on existing registration, reporting, and tax systems for the collection of data. Low quality administrative systems can result in sub-optimal national data. Or, worse yet, these systems can undermine or even harm the organizations they were intended to serve. This Section discusses the aggregation of data at the national level in the context of international data systems and volunteering, as well as in respect of Third Sector research to consider what they offer and what they do not.

Part V includes chapters by Rupert Graf Strachwitz, Tania Haddad, Catarina Segatto and a commentary by Alison Elliot on the topic of faith. Among the issues put forward by Helmut Anheier and others as important to focus upon in further developing research on civil society and the Third Sector, faith has come to the fore in a global context. While faith-based organizations have always been considered part of the Third Sector, they have hardly received special attention in the field nor in research. Religious communities proper, were not touched upon in the ICNPO project in the 1990s, and yet they are increasingly redefining themselves as Third Sector organizations. Also, religious beliefs and ethical values are seen as highly relevant and influential in defining the mission and working principles of the sector, and their interplay with other societal actors. This includes in countries that are faith-averse and secular regimes. Through an examination of faith from a Christian point of view in Europe, this section also examines the Arab world and religion as well as how faith-based organizations shape policies in Brazil. These all combine with the commentary to enable the reader to reflect on what the inclusion of faith in Third Sector studies means in terms of a future civil society research agenda.

The final co-authored section is **Part VI** entitled 'Ways forward'. This section draws together the prior sections, with Helmut Anheier, Stefan Toepler and commentator Naoto Yamauchi presenting an agenda for relevant and impactful future research into the Third Sector. Thus, this section examines theory, definitions, the role of classification as to which entities are included and which not, and the extent of data that can be mobilized in future research. This section reflects on the prior

chapters and discusses the characteristics and limitations of the Third Sector research as well as the challenges and the way forward.

Finally, the book concludes with our reflections about how the past can inform our future research on Third Sector studies, but also the future trends that are likely to impact researchers' work. We trust that you enjoy this work and it will enthrall you to take forward Third Sector studies into the future.

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