‘what’s wrong with third sector theory and what might put it right’:

an exploration of agency and the third sector in post-banking crisis welfare reform.
current challenges in voluntary action studies

• In danger of becoming a cheer-leader for neoliberal change;
• Too narrow a focus on organizational adaptation and change;
• Misses the big picture;
• The need for new approaches that will better capture the complex interplay of context and conduct.
What’s wrong?

• Too committed to an economic research paradigm underpinned by rational actor theories;
• Focus is on downstream adaptation to a process of change;
• Change is seen as externally driven and is itself not subject to analysis;
• Agency, if discussed at all, is relegated to micro-adaptations to external shocks
• The role of people as agents in shaping change is seldom discussed.
New institutionalist assumptions in third sector research

• Action derives from utility maximising calculations in a rule bound incentive structure;
• Contexts are stable, fixed by incentive structures, path dependency, or reflexive adaptation to cultural norms;
• Logics of ownership, game theory and path dependency dominate third sector theory;
• They are independent of the actors within those contexts;
• We can know these contexts through the application of social science research methods
• Change the result of external shocks;
• Agency is only exercised as a response to externally driven change
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<th>Definition of institutions</th>
<th>Principles of public administration</th>
<th>Third sector theory orientation</th>
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<td>Rational actor economics</td>
<td>Utility-maximising through price</td>
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<td>markets/Market and state failure</td>
<td>Market and state failure</td>
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<td>RI new institutionalism</td>
<td>Calculation through Incentive structures in rule governed contexts based on a fixed preference for utility-maximisation</td>
<td>Incentive Structures conceived as rules</td>
<td>utility maximisers trading resources to mutual advantage. Stable institutions underpinned by fixed preferences</td>
<td>Logics of ownership provide third sector bodies resource advantage in particular policy fields and networks. Game theory and strategic management</td>
<td>Billis and Glenerster (1998) Billis, (2010) hybridization in the mixed economy of welfare</td>
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<td>HI new institutionalism</td>
<td>Path dependency; critical junctures</td>
<td>Macro-historical structures and regularities</td>
<td>Networks embedded in historical patterns; change as adaptation to critical junctures</td>
<td>Configuratio of third sector embedded in established national patterns of governance</td>
<td>Salamon and Anheier (1998); Social Origins Theory; Evers(2005), hybridization in the welfare mix Gidron and Bar (2009) Anheier (2009)</td>
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<td>SI new institutionalism</td>
<td>Appropriateness Reflexive adaptation</td>
<td>Cultural norms and frames</td>
<td>Governance through open networks</td>
<td>The social construction of third sector identities</td>
<td>Macmillan et al (2013); Teasdale (2012); Mullins and Acheson (2013)</td>
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And the consequences?

• A passive conception of agency within organizations which absolves them of responsibility;
• A setting aside of the role of agents in reinforcing or resisting change
• Asks the wrong questions:
  ➢ focus on organizational adaptation and change in the face of externally imposed pressures.
A civil society research paradigm

• Rejects concept of civil society as a box filled with organizations of a pre-determined type;
• Conceives civil society:
  • as a sphere of intermediation and deliberation
  • as a realm of civility
• Focuses on the interpretations and practices of human agents as citizens making and remaking civil society.
an interpretivist approach
the core concepts

• Webs of belief;
• Practices;
• Traditions;
• Dilemmas;

• Recasts and rereads social and economic practice as text.
Traditional third sector theory and interpretivism.

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<th>Structures (Context)</th>
<th>Agency (Conduct)</th>
<th>Source of change and action</th>
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<td><strong>Traditional third sector theory</strong></td>
<td>Structures are real, knowable and have effects. They are stable and are structured by rules, historical precedent or norms</td>
<td>Human agency comprised of rational action based on fixed preferences for utility maximisation within an external set of rules</td>
<td>Externally driven by shocks to rule governed structures. Actions are responses through organized economic self interest</td>
<td>Organizations understood as economic units defined by ownership and the non-distribution constraint; the sum of such organizations conceived as a sector</td>
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<td><strong>interpretivism</strong></td>
<td>Beliefs and practices not reducible to contexts; social reality encountered through interpretations comprising webs of belief</td>
<td>Human agency is situated in webs of belief held together by traditions</td>
<td>Situated agents change in response to dilemmas generated by webs of belief conflicting with traditions</td>
<td>The practices of situated agents in civil society understood as a sphere of intermediation, deliberation and civility</td>
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