

## MAKING A SOCIAL AND POLITICAL CONTRIBUTION

IT IS NOT difficult to recognise that third sector organisations make an important contribution to Australian society and politics. They are manifestations of the ability of individuals to join together, to work with others and to achieve a benefit for themselves or others. They provide service, they give voice, they bestow identity. They are expressions of people's enthusiasms and their commitments. Society would be palpably poorer without their ubiquitous presence. So too would be politics, because it is through beginning or joining an organisation that most people register their views on the particular matters of public policy that affect them.

However, unlike their economic contribution, the social and political contribution of third sector organisations is far harder to measure. There is no equivalent in sociology or politics to simple quantitative measures such as contribution to GDP or employment. Perhaps the closest measures we have are the percentage of the population who belong to a third sector organisation and the percentage of the population who volunteer and the hours they contribute. But both of these measures are ambiguous, being measures of inputs drawn on by third sector organisations as well as signs of the impact they can have on peoples lives.

Far greater claims are made for the importance of the third sector. A strong third sector is said to underpin both a strong economy and a healthy democracy. Third sector organisations are said to be the major vehicles for giving identity and voice to the marginalised and for bringing about social change. But these are not contributions that can be measured in the way that their economic contribution can be measured. Rather, they are claims that are drawn by implication from wider theory. They can be understood intuitively and given some empirical verification via cases. To explore the contributions that the third sector makes to society and politics requires a short journey through some, mainly recent, political and social theory.

Political scientists are interested in the way third sector organisations

contribute to democratic institutions and practices. The first suggestion that there might be a connection between voluntary associations and democracy was made by the French historian Alexis de Tocqueville in his study of the United States in the early 1830s, *Democracy in America*. To de Tocqueville's European eye, the success of American democracy was a product of the propensity of 'Americans of all ages, all stations in life, and all types of disposition' to form associations 'commercial, industrial, religious, moral, serious, futile, very general and very limited, immensely large and very minute'. Associations were for Americans 'the free schools of democracy'.

More systematic testing of the connection between voluntary associations and democracy was undertaken by a group of American political scientists in the 1950s and 1960s, in the period of the Cold War against communist dictatorships and not long after the defeat of fascist dictatorships in Germany, Italy and Japan. They were interested to discover the features that distinguished regimes with a strong democratic tradition from those with weaker democratic practices. One important factor was that strong democracies had a high degree of citizen involvement in voluntary associations.<sup>1</sup> Later research on the determinants of political participation in the United States confirmed the importance of involvement in voluntary associations as a determinant of political participation.<sup>2</sup>

By political participation, researchers such as Richard Nie and Sidney Verba mean writing letters to congressional representatives, joining deputations to elected officials and belonging to a political party as well as voting in elections. They note that level of education is the most important single determinant of political participation, but that for people with a low educational achievement, membership of a voluntary association increases significantly the likelihood of participation. It does so by giving experience of and skills in working with others that effectively empowers people for involvement in those public activities associated with citizenship. Of course, educated middle-class people in professional or managerial jobs obtain these experiences from many sources other than voluntary association membership but for many other groups in the population, voluntary association membership is the key to active citizenship.<sup>3</sup> For many lower class Americans, especially African-Americans, a church is the most common form of associational membership.

No research of this kind has been done in Australia. The one body of political science research in Australia that looks at a group of nonprofits is that dealing with pressure or interest groups. Their role in articulating various interests to government is recognised, but their importance is generally downplayed. Political scientists seem to accept the observation made by Sir Keith Hancock in his seminal study *Australia*, first published in 1930, that Australian political life is dominated by political parties.<sup>4</sup> In making that observation, Hancock was explaining why voluntary associations did not play an important role in Australian life, as they did in the United States. The most recent study of the weight of various

sources of influence on the policies of a state government, that by Mark Considine and his colleagues at the University of Melbourne, found that interest groups played a limited role.<sup>5</sup>

In sociology, there have been several bodies of research and theory that touch on voluntary associations. Unlike the political science tradition, some of the sociological research has been critical of nonprofits. This critical approach came from those writing from a left perspective, mostly some variant of Marxism. An important stream of sociological research in the 1950s and 1960s was community studies. Those on the left studied communities to find evidence of a class or power structure. Mostly they found that in the towns and cities they studied, voluntary associations were important mechanisms by which the upper or middle class exercised and reproduced their power. By contrast, political scientists who conducted community studies tended to find evidence of pluralistic political systems, a dispersal of power, and voluntary associations being the mechanism whereby different groups pursued their interests without one class achieving dominance across all interests.

A number of community studies have been undertaken in Australia. For the most part they are written within a sociological tradition and reproduce the leftist case against voluntary associations. They note that in various communities, the middle class form far more voluntary associations and tend to hold the official positions in those whose membership cuts across class boundaries.<sup>6</sup> In this way, it is argued, voluntary associations are a mechanism for ruling-class hegemony; they help blind working people to their real interests. A similar leftist perspective can be found in much historical writing about the welfare state. In this perspective, the growth of state-provided welfare spelt the demise of the traditional voluntary associations, the home away from home of the 'lady bountiful'. It is still difficult for many Australians educated in this tradition to grasp that the growth of state 'welfare' actually led to a flourishing of nonprofit associations, rather than their decline.

An alternative perspective on voluntary associations has emerged from more conservative sociologists drawing from the mass society perspective. For sociologists such as Peter Berger, voluntary associations are a crucial mediating structure between individuals and their immediate family and the overwhelming and impersonal power of big government and big business.<sup>7</sup>

Another tradition, one that draws on sociology, political science and history, is the study of social movements. Social movements are studied as the vehicles of social change or transformation. In its original form, the focus was on the movement that had transformed industrial capitalism in the nineteenth century, the labour movement, or its political off-shoot, social democracy. It also encompassed other important nineteenth-century movements such as temperance and feminism. Its focus was primarily on their capacity for mobilising resources and on strategies for bringing about policy change. More recently, a focus on the 'new' social movements such as the second feminist movement, the environment

movement and the politics of identity has emerged from Europe. Social movements are important because they provide opportunity for certain individuals to discover and explore new values and identities, and to use the new technologies of communication to link across the boundaries of geography. Social movements are mostly comprised of organisations sharing some values in common, while disagreeing on others. Yet, despite the centrality of nonprofit organisations to social movements, they rarely have been studied from that perspective.

As the dominant emphasis of American sociology has moved towards economics, to focus on the individual actor in society, closer attention has been placed on how individuals work together in groups. In this tradition, the sociologist James S. Coleman claims to find in a number of groups and communities a 'glue' that he calls social capital. This is a set of norms of trust and reciprocity that hold the group together and greatly facilitate cooperative arrangements between members of the group. Unlike conventional forms of capital, however, social capital is not possessed by individuals but remains the property of groups. Rather than being run down by use, it is strengthened: indeed, unless it is used in frequent interaction between members of the group or community, it will weaken.<sup>8</sup> Only some of Coleman's examples illustrating the operation of social capital involve voluntary associations, but the concept was a suggestive one for a political scientist researching in Italy to discover the determinants of effective democracy.

In 1993, the Harvard political scientist Robert Putnam published the results of a 20-year study of the introduction of a new system of regional government in Italy. He found that the new governments operated successfully in the north and central parts of Italy, but not in the south. This divide happened to mirror the divide between those parts of Italy that had successful regional economies and those parts that were economically backward. But the success of the new level of government in the areas of economic prosperity was not a consequence of that prosperity; rather, argues Putnam, both successful government and prosperity were a consequence of the rich tradition of civic association in those parts of Italy that were economically and politically successful, while the absence of such a tradition led to the economic and political backwardness of other parts. That is, the habit in some parts of Italy for people routinely to join with others in various forms of voluntary association—social clubs, choral societies and the like—explained the success of the new regional governments and of regional economies in those parts. In seeking to explain how this process worked, Putnam borrows the term social capital from James S. Coleman. It is social capital, or norms of trust and reciprocity, that both encourages the practice of civic association and in turn is reproduced by it. Thus it is social capital that underpins the economic and political success of those regions.<sup>9</sup>

Putnam's thesis initially went unnoticed until he applied it to the United States. In subsequent research, Putnam claims to find evidence for a decline of social capital in the USA. The evidence came from many

sources: from declining numbers joining associations such as scouts, parent associations, fraternal lodges and sporting clubs such as bowling leagues (in the title of his provocative paper, people preferred to 'bowl alone'); from a decline in political participation; and from a decline in the percentage of Americans who were prepared to acknowledge that, on the whole, they were inclined to trust other people. The implications of this research were clear and controversial. If social capital were declining in the United States, then, in time, so too would Americans' commitment to democracy and their economic prosperity.<sup>10</sup> Putnam's thesis drew a great deal of attention to the third sector, and to its role in building trust and community and in facilitating political participation and economic development. The debate continues, but the weight of evidence is reducing the scope of Putnam's original thesis without entirely demolishing it. Meanwhile, echoes of this and related debates in the social sciences are heard in the political arena as well.

The wider public attention to Putnam's thesis coincided with an interest in what was called 'communitarianism', an approach to constructing relations between people and their governments that involves responsibilities as well as rights, and emphasises the importance of rebuilding a moral economy of mutual rights and responsibilities at the neighbourhood level. It also coincided with the development in Britain of 'New Labour' and talk of a third way, a policy path that fell between the old cradle-to-grave welfare or nanny state and the small government, market-oriented 'survival of the fittest' type of world favoured by Margaret Thatcher. In communitarian USA and New Labourist Britain, much attention is paid to nonprofit associations, as vehicles for rebuilding social capital, and restoring to citizens the opportunity to control many of the state-provided services they enjoy and delivering those services.

Somewhat interconnected with the developing theory of social capital is another emerging framework of theory and practice known as civil society. This framework also gives a central role to third sector organisations. Unlike social capital, the most extensive current claims about civil society are made by activists. Their activist theory differs in some important respects from both the more academic theorising espoused by certain ex-Marxist sociologists as well as the strand of political philosophy interested in ways of reproducing the democracy of the Athenian or early North American republic in contemporary society.

Activist use of the term civil society emerged in the 1980s in Eastern Europe among intellectuals trying to understand the manifest failure of communist regimes to satisfy people's desire for freedom. At the same time, these activists had no desire to move to a capitalist society that generated great inequalities and its own forms of oppression. They concluded that the dominant role of the state suppressed that space for free association, where people could meet and form groups to pursue their enthusiasms, express their values or assist others. This space, and the people's organisations that inhabited it, they called civil society. The embryonic theory that developed around this insight claimed that a strong

civil society was needed to balance excesses of state domination and to guard against the equally oppressive free-market regime. In this conception, civil society was a lively, vibrant space, full of argument and disputation about matters of greatest import to its citizens. It represented a reapplication of the older republican idea of active citizenship, itself rooted in the ideal of the Athenian *polis*. An important characteristic of civil society is that its members are committed to a principle of self-limitation; that is, no matter how much they might disagree with other groups or with policies pursued by the government of the day, they would not act in ways that contradicted basic democratic institutions.<sup>11</sup>

This concept of civil society, emerging from groups that considered themselves Marxist, resonated strongly for others who had Marxist sympathies but faced oppressive regimes of a different kind from those that dominated in Eastern Europe. It was quickly adopted by activists struggling against repressive military dictatorships throughout Latin America and Asia. It helped to provide a model for a society that was dominated by neither big business nor the state, a society wherein ordinary people could organise their own interests and be heard. Thus, in the various and mostly successful struggles against repressive regimes in Latin America, Asia and Eastern Europe that occurred during the 1980s and into the 1990s, the various social movements and people's organisations that took part in those struggles considered themselves as constituting civil society. As a result, a new generic term to describe the third sector, or large parts of it, has entered the language, that of civil society organisation or CSO.<sup>12</sup>

It is worth noting that at about the same time as activists in many countries of the South were arguing for the importance of civil society, the practice and theory of economic development began to recognise the importance of non-government organisations or NGOs in the process. Development practice had moved from an emphasis on state-centred development to an economic focus that sought to tie developing economies into the world economy. Both approaches had proven to be deeply flawed, in each case failing to deliver any benefits (and in the case of the latter, delivering many disadvantages) to ordinary people in their villages. By contrast, approaches that sought to develop indigenous organisations of peasant farmers or fisher-folk and encourage their capacity for self-interested collaboration proved to be successful at overcoming the devastation wreaked by earlier development schemes. Once again, the growth of a local third sector generated many advantages. Unfortunately, it often appeared to threaten the interests of political elites and frequently such organisations were suppressed.

The activist tradition insists that third sector organisations constitute civil society. This is somewhat at odds with much Western academic theorising about civil society. This latter body of work has been stimulated by the activist discovery of civil society, but for the most part remains tied to one of two intellectual traditions in which the third sector plays something of a residual and unexamined role.

One tradition, the most prominent, is Marxism. The term civil society was first used in the eighteenth century by the Scottish philosopher and contemporary of Adam Smith, Adam Ferguson. For Ferguson, civil society was a social formation that emerged in Europe during the time the previously dominant aristocratic military class was subordinated to the growing interests of commerce. Civil society was a society in which the state served the interests of the citizen as trader rather than the aristocrat as soldier. It could only emerge when relations between church and state had been weakened if not broken: religious toleration was an essential prerequisite of civil society. The concept was later picked up by the German philosopher Hegel and elaborated into a somewhat contradictory series of meditations on the state and society, wherein civil society is broadly identified with the organisations of economic and social life. Marx simplified Hegel to identify civil society with the interests of the bourgeoisie, and the market. For Marx, civil society was the sphere of economic relations, where economic relations dominated social relations.

The concept of civil society was given a fuller but no more consistent exposition in the writings of the Italian communist intellectual, Antonio Gramsci. For Gramsci, the most pressing question was why a communist revolution had succeeded in Russia but not in the more industrially advanced economies of the West, including Italy. In seeking to answer that question he pointed to the cultural power of the Catholic church. The church no longer dominated the state but nonetheless exercised considerable power or hegemony through its various associations. This led him to consider the role of other associations within society and to distinguish between economy, state and civil society. Most importantly, Gramsci broke the correspondence between civil society and economic interests. He was never entirely clear about the relation between state and civil society, sometimes insisting on the independence of civil society, sometimes arguing that they served the same end. In that formulation, civil society was constituted by those organisations through which intellectuals, who were the servants of the dominant class, came to exercise hegemony for their ideas over the whole of society. Gramsci's formulations were far from consistent, but this very inconsistency allowed the Marxist intellectuals in Eastern Europe enough latitude to reformulate Gramsci's ideas to fit their own situation and generate the activists' theory outlined earlier.<sup>13</sup>

The second theoretical tradition that informs some of the contemporary writing about civil society, especially that in North America, draws elements from the liberal and the republican traditions in political theory. In this tradition, most powerfully expressed in the writings of Michael Walzer, civil society is the space of uncoerced human association and the set of relational networks or voluntary associations that fill that space.<sup>14</sup> It is in this space and through these associations that many people come intermittently to exercise an influence upon the behaviour of their fellow citizens, upon businesses and upon the state. Sometimes this influence is consciously sought, sometimes it is unintended, a consequence

of members of an association following their particular interests. As a space, civil society is marked by disputation and conflict, and by compromise and collaboration. Unlike the republican tradition, which emphasises the importance of people being active citizens, freely engaged and fully committed members of the democratic state, this tradition of civil society emphasises rather the importance of people joining others in various associations to meet common needs or express common interests. Such associations might only occasionally seek to influence directly the affairs of state. In North America, this tradition has links to the political science interest in social capital and the fuzzier set of interests around communitarianism. It is through this tradition that the emphasis on civil society as a counterweight to the excesses of market and state, so important to the activist tradition of civil society in the countries of Eastern Europe and the South, especially Asia and Latin America, is introduced to the developed world. A strong civil society is discovered to be an antidote to the problems of too heavy a reliance on the welfare state or the unbridled market.

In neither of the theoretical traditions are third sector organisations given the primacy that they are accorded in the activist theory. Rather, they are included as servants of some wider purpose, fulfilling a function in a wider theoretical framework. Nonetheless, the theories do accord recognition of at least some parts of the third sector, even if they say very little about the workings of those parts. Altogether, these various theories indicate a growing interest in and recognition of the third sector.

Such a recognition has the potential to enrich our understanding of third sector organisations, though this will not be a straightforward process. An interest in civil society directs our interests towards third sector organisations that are the product of people's capacity to work together; organisations that represent their interests. These tend to be member-serving organisations: cooperatives, mutuals, social movement or advocacy organisations. They are quite different from the public-serving or charitable nonprofit organisations that are the main focus of economic theory. It may be that these two perspectives, the civil society perspective and the economic perspective, provide complementary lenses through which to view the third sector. In many respects this is true. However, the two perspectives produce some contradictory messages as well. This is particularly the case if there is a desire to use third sector organisations to help build social capital. The economic perspective focusses on nonprofits as special types of firms. A well-run nonprofit resembles a well-run firm in a number of important respects. It is efficient, committed to delivering a quality service to its customers and its directors fulfil their fiduciary duties to the wider society. By contrast, a well-run civil society organisation involves its members in its decisionmaking processes; it is participatory and discursive. In so far as it provides a service, it is far from efficient and is committed to encouraging its 'customers', who are its members, to develop their own capacities for self-help and to have a voice. The implications of these two perspectives for third sector managers was

explored in the final section of chapter 16. For managers and governors, and perhaps for government policy makers interested in encouraging a greater role for the third sector, these two perspectives require some rather delicate balancing.