

A New Pillar of Society

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Abstract¹

While the traditional conception of society is one of three active sectors- market, governance and civil society- it is rapidly becoming apparent that this model is an inadequate one. The traditional civil society sector embraces all organisations that are nongovernment and nonprofit, organised around a common interest or broadly defined shared values and a common purpose. These organizations vary enormously in topic area, size, sophistication, modes of operation and history.

A closer examination of the characteristics of a sample of organisations illustrates this point: the structure, composition and expectations of the management stream, the number of staff and their level of role complexity, the number, utilisation and sophistication of volunteer activity, the level of strategic planning processes in place and the amount and source of funding are just of the variables that indicate a polarisation of these organizations.

To explore this trend a study of nonprofit nongovernment organisations was conducted. As a result there was considerable evidence that the notional three-sector model is no longer an accurate representation. There is enormous diversity apparent. A proportion of organizations operate as nonprofit with goals of enhancing community development and improving welfare, but have adopted largely market-like competitive means.

A fourth sector is proposed that accommodates organizations and activities of this type. While Streek and Schmitter [1985] and Dekker [1998] have suggested a structure of community, market state and associations, this is not supported by the findings of this research. Instead it is proposed that the comprehensive model comprise: the polity, the market, community and entrepreneurial civic service.

Introduction

The traditional civil society sector embraces all organisations that are nongovernment and nonprofit, organised around a common interest or broadly defined shared values and a common purpose. These organisations vary enormously in topic area, size, sophistication, modes of operation and history. They

¹ This paper is based on research conducted for a PhD dissertation. It develops on material originally published in M. Alessandrini, "Is Civil Society an Adequate Theory?", *Third Sector Review* volume 8 no.2, 2002.

range from religion-based charities to sporting clubs, from community development and support organisations to highly specific common-interest groups.

These loose social groups have always existed as a component of society, but have not always been recognised or valued by theorists and researchers. Many apparently community-based organisations have evolved to be indistinguishable from commercial bodies. To avoid convoluted arguments of definition and detail, this project selected organisation case studies that are securely located within the community sector: they were non-profit, non-government organisations providing human services to an identified client group, or to society at large. It is necessary to discuss these definitional issues and clarify the margins, especially in terms of where the third sector meets other sectors: the polity and the market. An examination of community based organisations provides a framework for analysis. Once established such a framework allows comparisons to be made and contrasts drawn across a vast range of criteria and characteristics. Defining key characteristics of community-based organisations is central to such analysis. It is through this examination of organisations that it is possible to identify key defining characteristics and categories of organisations emerge.

Comparative field research was conducted to test the utility of these variables in Texas and Tasmania, and was illuminating. The sites, while quite diverse in their social, cultural and political natures, were consistent with respect to the operations and structures of nongovernment organisations. It was apparent that organisations in different categories share very little ground, and this implied a new sector of

society, or pillar accommodating organisations that are driven by twin imperatives of efficiency and philanthropy.

The model of the 'entrepreneurial civic service sector' is developed to provide a conceptual model that better fits contemporary organisational arrangements and allows for analysis.

Characteristics of organisations

Organisations have a range of defining characteristics which operate as variables. An examination of these variables gives considerable insight into the operation and relative success of these organisations in their particular fields of client service delivery. These variables were applied to a range of organisations and were found to effectively demonstrate a polarisation. The characteristics examined were:

- The structure, composition and expectations of the management stream
- The number of paid staff and the complexity of their roles
- Organisational structure and levels of paid staff
- The number, utilisation and sophistication of volunteer activity
- Operationalisation of strategic planning processes
- Predominant funding sources
- The complexity, frequency and scale of budget activity
- The organisation's client orientation and basis of program eligibility
- Extent of organisational commitment to development and training of human resources

From an analysis of these organisational characteristics, a range of organisational types was developed, and from this a scale of market orientation was applied.

Research findings and results

The data collected provided ample material for analysis and comparison and strong support for the premise that the prevailing three-pillar models of society are no longer an accurate and comprehensive representation. Shortcomings of the traditional three-pillar model become apparent in the analysis of these findings.

Organisational planning profiles vary considerably in Tasmania, but are more alike in Texas. Planning arrangements in Tasmania range from extremely short-term planning to extensive five-year planning strategies. This variation can be identified by the typology classification allocated. Type one organisations have minimal formal planning in place and there is some resistance to its introduction. Budgets may be developed on an annual basis, but these are relatively generic in form. Type two organisations have strategic plans that have taken a great deal of effort to develop. These plans however bear little relevance to day to day activities. The organisation's activities are rarely monitored against the goals and objectives. Consequently the plans developed remain irrelevant because no annual review or amendments are conducted.

Type three collective organisations were found to have strategic plans and to be aware of their purpose and strength. Nevertheless, the plans are not routinely used as a source document or as a framework for organisational activity and processes. Again, much effort went into the development of the plan. Budgets were detailed and rigorous, and well managed.

Type four, five and six organisations have detailed and often complex strategic plans. All levels of the organisation are to some degree involved in the strategic planning process, whether through consultation in the initial stages or contributing plans to meet specific goals and objectives within the plan. These plans formed an active and intrinsic part of day to day operations and of the formal processes. Where organisations were large with a number of divisions and program areas, and numerous staff, plans were used to frame the reports to the boards. They were also used as a resource in the development of tender documents and applications for funds from sources both within and outside government.

The structures of nongovernment nonprofit human service organisations are diverse. As would be expected, this is related to the size and complexity of the organisation. The smaller the organisation, the lower its ranking in the typology. Organisations in Texas are more likely to exhibit sophistication in structure. Most Texan organisations were classified five or higher. Tasmanian organisations were again found to be more diverse in structure, ranging from the simplest to the most complex. The link between typology position and structure means that type one

organisations are small with a simple structure, often with a single paid staff member and simple management arrangements. The type six organisations are large and sophisticated. One Tasmanian organisation had a matrix structure that was highly effective but also complex and requiring skilled management to sustain.

Utilisation of volunteers contrasts clearly along state lines. In Texas organisations were more likely to use volunteers and to offer them training and accreditation. There was an expectation that volunteers would be skilled and knowledgeable. Their contribution was appreciated and regarded as a practical form of philanthropy. Examples of this approach were evident everywhere. Sources of funding are extremely diverse. Further, there is considerable range in the number of funding sources for specific organisations.

Type five organisations in Tasmania and the majority of organisations in Texas enjoy much greater freedom in their funding arrangements. Funding sources include government contracts, foundation grants, funds donated by individuals and fee for service income. In some cases, Texan organisations compete directly with private sector organisations for retail and service industry business, often with great success. This increase in funding diversity and scale is directly related to the level of autonomy and innovation. There is capacity for organisations to offer otherwise unfunded programs, removing the government monopoly on the welfare agenda. The expenses of lobbying and profile enhancement through marketing can also be met without resort to government funding. This of course avoids the possibility of accusations of misuse of government funds or charges of bias. Organisations in

Texas were found to be more likely to be financially independent with a comprehensive budget and financial management system.

Many Tasmanian organisations were involved with broadly aimed programs and were totally funded by a single government agency. Funding was minimal and this tended to reinforce sectoral poverty, restricting resources so that management was often skeletal. Growth through successful tendering for increased funding is difficult to achieve when resources are so limited.

Organisations in Texas often form strategic alliances to give them greater strength in the market place to attract both clients and philanthropic funding. These partnerships usually involve the emergence of a lead agency that bears a high administrative workload and is rewarded with greater kudos. Similar alliances are beginning to emerge between the more complex organisations in Tasmania, with the benefits of shared resources. It may also improve their prospects when tendering to government agencies for service delivery contracts. Organisations embarking on this course are type five or six. This is because a venture of this kind is a potentially expensive risk, the costs of which cannot be funded or absorbed by smaller organisations with fewer or no uncommitted funds.

Human services provided by these organisations vary enormously. In the Tasmanian case, stratification is evident in the levels of government funding that particular areas of service provision attract.

The diverse range of services provided by Tasmanian organisations studied includes:

- Community development services and activities;
- Support and assistance for survivors of domestic violence;
- Assorted services for people with disabilities; and
- Employment services.

Organisations studied in Texas provided these services, and in addition:

- Therapy services;
- Transport support; and
- Brokered donor generation services.

Generally speaking, management in Texas was more likely to emulate corporate and private sector organisations, both in style and in the language used to describe roles and structures. In general those in management roles in Texan organisations were found to be highly professional and often recruited from the corporate sector. Board members were generally skilled managers professionally qualified: they come to the role philanthropically with the expectation that they will contribute their professional skills, knowledge and social contacts.

Some Tasmanian organisations are beginning to operate in a similar 'pseudo market' mode, but many are severely limited by their resources and competencies. Managers are appointed as co-ordinators and directors, and in many cases a proportion of the day-to-day responsibility for operations is directly in the hands of board members. These board members are generally drawn from the incorporated

body membership and several organisations report that recruiting board members with both skills and commitment is a serious and chronic problem. Nevertheless in Tasmania board members are more likely to have the popular support of the organisation at large in their work.

Overall, the relationship between nongovernment nonprofit human service organisations and government is one in which power is to some degree a factor. This is evident in both Texas and Tasmania. It is important at this stage to consider the special case of Tasmanian collective organisations who use their unusual circumstances to create a barrier between themselves and government. There is an additional but less effective barrier apparent in the case of organisations that are highly professionalised.

The figure below (figure 2) applies Lukes' framework of three dimensions of power to the cases of the relationship between nongovernment nonprofit human service organisations in Texas and Tasmania, demonstrating that there is evidence of all three dimensions operating.

Figure 2: Lukes' s Power Analysis in Texas and Tasmania

DIMENSIONS OF POWER			TEXAS	TASMANIA
first	<i>second</i>	third		
Decision-making	—————→ <i>Nondecision-making</i> ———→		Much decision-making power devolved to government appointed committees giving an appearance of distance and impartiality	Emphasis on 'big picture' decisions about NCP and accountability as a pretext for imposition of managerialist and neo-liberal measures
		Control over the political agenda ———→	Funding foundations, corporations and government agencies determine the agenda	Government and bureaucratic departments control the agenda
(key) issues	—————→ <i>Potential issues</i> ———→		Evidence of issues and potential issues	Evidence of issues and potential issues for human service organisations
Observable (overt) conflict	—————→ <i>Covert conflict</i> ———→	Latent conflict ———→	Conflict often managed through formal processes so overt and observable.	Considerable concealed and latent conflict
Subjective interests and preferences	—————→ <i>grievances</i> ———→	Real interests ———→	Subjective and real interests converge	Real interests of human service organisations threatened by loss of self-determination and self-definition arising from managerial methods applied to funding

It is clear that the power distribution in Texas is far more pluralist in nature. Power is more evenly shared between sectors, with the market and state sectors relatively

dominant. As human service organisations behave like market sector participants more, the power imbalance is redressed. Policy is still defined by the polity, that is, elected representatives, appointed commission members and officials in departments. Policy change is an erratic process with peaks of activity at two-yearly intervals. The governor devolves decision-making to an unelected body whose appointees he is able to influence in a number of respects.

So while there is an appearance that decisions are made at a distance from the governor and politicians, in reality the governor is well placed to determine three commission members and to influence six others through the lieutenant governor and president of the senate occupants. In this way he is able to set the agenda and the political timbre of each policy area managed by a commission, and there are many. Nevertheless, there is a sense in which organisations in Texas are free to operate in their fields. As government deliberately rolls back its funding of human services, it becomes less inclined to assert control over their extent and nature. As certain areas cease to be budget items for government, government absolves itself from responsibility.

Organisations are encouraged to seek alternative funding sources, or reduce services. In other words, there is an expectation that they will behave in a 'business-like' way.

The commission structure could also be seen as a second dimension phenomenon, decentralising power and allowing for additional voices to be heard in discussion. It is debatable how effective these voices would be in setting the agenda.

In the Tasmanian context, it has been argued that competitive tendering empowers nonprofit organisations by allowing them to budget and manage their affairs with less government intrusion. This is a one-dimensional view of the power dynamic. A two dimensional view allows the identification of the perils of increased competition when the government and its organs are firmly in control of decisions. A clear example of this arose during a consultation process between government and human service organisations. Participants were drawn from human service organisations and public sector middle management. The process, entitled **Changing Relationships**,² considered the issues, developed options and sought to resolve impasses through recommendations to the appropriate department. A response was not forthcoming. Frustration and eventually fragmentation set in and the process collapsed. Some gains were salvaged from the remains and a number of valuable publications were produced. It was nevertheless clear that momentum and broad support from human service organisations was irreparably damaged by this non-decision:

Other issues were also causing difficulties. ... the DCHS Agency Management Team (a collection of the most senior managers) seemed unable or unwilling to address them so the process could move forward. By the end of 1997, a sense of

² Alessandrini, Megan and Bill Ryan. *Changing Relationships: A Case Study in Reform of Government/Community Sector Relations*. (Paper presented to the ANZTSR conference, Melbourne, 17 June 1998).

frustration was evident in the sector. Hard-won gains began to evaporate, as less progressive members of the sector who had been persuaded to become involved with the process, were discouraged by the lack of response.³

In second dimension terms, power rested with the highest levels of government. Despite the best efforts of the group of human service organisations and middle managers, inaction of officials prevented the consultation and resolution from progressing.

Consistent with a third dimensional view of power, the Tasmanian government is now in the position of defining services provided by organisations and nominating the clients with whom human service organisations are funded to work. Unit costs are set by government and government also stipulates the duration for which the client remains entitled to services. Competitive tendering appears to empower organisations by giving them untied funds to provide a service. They have budgetary freedom, and all other functions are the responsibility of the organisation. But as contractors these organisations, which in many cases are dependent on government for their financial survival, are required to provide a pre-defined product at a predefined price. Government has control of the process and the agenda. Organisations are free to conform to contract specifications. Failing that they are free to walk away.

³ Alessandrini and Ryan, *Changing Relationships*, 6.

Because of the pseudo-market in existence and the frequent need to compete with private sector organisations for funding and market share, the efficiency and effectiveness of Texan human service organisations is routinely assessed by an independent government agency:

 Polls emphasize the public's dissatisfaction with what government produces. Voters no longer believe that lawmakers can effectively manage the state's purse... Agencies must now prove that what they are spending is worth it... Using a performance approach lawmakers first ask about results.⁴

Nongovernment nonprofit human service organisations in Texas are also subject to this rigour, as providers of government services. This method is not a subtle one and in the Texas case is driven largely by considerations of cost and value for the budget dollar.⁵

The contrasts between Tasmania and Texas can be interpreted as simply a view of two sites at different points on the same path. Given current policy trends in play, it is more than possible that eventually Tasmanian human service organisations will closely resemble their Texan counterparts. It is clear that the societal model of

⁴ Karen Carter, 'Performance Budgets: Here by Popular Demand' in *State Legislatures*, (Dec 1994, vol 20, no 12, 22-23), 22.

⁵ Carter, 'Performance Budgets', 22-23.

three pillars, polity, market and civil society, is no longer an adequate representation of society. It does not account for the increasingly market-like structures and behaviours of organisations presently located in civil society and is insufficient in its treatment recent dramatic changes to community-based formal organisations.

The market orientation scale

A scale was developed to represent the extent to which these human service organisations demonstrated an orientation to the market in their structure, program delivery and funding. [see figure 1].

Figure 1: Market Orientation Scale

The Market Orientation Scale for Nongovernment Nonprofit Organisations

1	2	3	4	5
Non-competitive funding	Non-competitive funding range of programs	Minimal competitive funding	Some competitive tendering	Quasi commercial operation

Organisations rated as 5 on the Market Orientation Scale were less likely to operate strictly as a charity. Their mode of operation was much more likely to resemble a business. They were less consultative and far less likely to make decisions strategically.

Alternatives to the three-pillar structure

Streeck and Schmitter⁶ propose a fourth category in addition to community, market and state. This is based on the convincing evidence that the existing model is not sufficient:

On the basis of accumulated research, we are now convinced that the logic according to which these systems operate cannot be reduced to the respective logics of community, market and state, or explained by an ad hoc mix of these.⁷

⁶ Streeck and Schmitter, 'Community, market and state- and associations?'

⁷ Streeck and Schmitter, 'Community, market and state- and associations?', 3.

Streeck and Schmitter develop a further 'model of social order' which they identify as 'association'.⁸ This sector is distinguished by common interests and goals of self promotion for the group in an environment of mutual respect at the institutional level:

The key actors are organisations defined by their common purpose of defending and promoting functionally-defined interests, i.e. class, sectoral and professional associations.⁹

Associations occur at several levels: between organisations, and between organisations and their members. Streeck and Schmitter see these organisations or associations as an additional coherent social form whose structure and activity is so distinctive that it cannot be accommodated elsewhere.¹⁰ The associations they describe are bound by pursuit of similar self-interest, as might be found in the polity. This enunciation of a fourth 'sector' attempts to provide a coherent model but, on the basis of the research conducted in Tasmania and Texas, does not adequately explain the how organisations with altruistic mission and goals, devoid of market references or overt profitability motives, can appear to sit comfortably with the highly market-like corporate approaches that are now evident in human service organisations.

⁸ Streeck and Schmitter, 'Community, market and state- and associations?', 8.

⁹ Streeck and Schmitter, 'Community, market and state- and associations?', 10.

¹⁰ Streeck and Schmitter, 'Community, market and state- and associations?', 10-11.

Dekker draws on these ideas but proposes a subtly different model to illustrate the social structure he has observed.¹¹ In describing the structure of society in the Netherlands, he proposes an additional sector. The four pillars identified are market, state, community, and the new sector of civil society to replace the associative or corporatist model. He suggests that the civil society 'is not an adequate framework for the study of nonprofit organisations as such.'¹² Clearly there is a need for a fourth pillar in an accurate model of contemporary society. A template of only three pillars, community, market and state, leaves many significant, influential and valid social groupings and activities not obviously fitting into one or other category. Contemporary nongovernment organisations do not, however, sit neatly within the categorisation of civil society as drawn by Dekker, or Streeck and Schmitter.

Dekker recognises the difficulties in sustaining the distinction between nongovernment nonprofit organisations and private enterprise organisations, who may in many cases be in direct competition. The blurring of what had previously been a fundamental distinction has been gradually occurring in recent years and is likely to continue.¹³ As Dekker notes:

In the future it may be harder for researchers to draw a line between nonprofits and other organisations. It is becoming increasingly difficult to distinguish the traditional private

¹¹ Dekker, 'Nonprofit Sector, Civil Society and Volunteering'.

¹² Dekker, 'Nonprofit sector, civil society and volunteering', 125.

¹³ It is after all the basis of the categorisation between second (private sector) and third sector organisations. If in doubt, it renders the sector construction redundant.

nonprofit organisations from the many independent public bodies, PGOs (para-government organisations) and quangos (quasi-autonomous non-government organisations) that have been established by government in recent decades.¹⁴

It is suggested by Dekker that it may be more appropriate to define organisations by their 'goods and services and not by the historical backgrounds or formal status of organisations'.¹⁵ This is however problematic. In order to conceptualise a coherent model of society constructed of distinct pillars, it is necessary to account for the motives of the individuals or groups involved. This may not include historical factors, but must clearly identify motives and desired goals, be they profit for shareholders or and improvement in the social condition. These factors dramatically influence the choice of means and activities embarked upon.

Zimmer, commenting on the social welfare sector in Germany, states that social goals are no longer the defining ones for these organisations as they are compelled to compete on an equal footing with private sector organisations:

To put it in a nutshell: in a competitive environment with contract management and cost-based reimbursement, the

¹⁴ Dekker, 'Nonprofit sector, civil society and volunteering', 127.

¹⁵ Dekker, 'Nonprofit sector, civil society and volunteering', 127.

institutional form of the service providers does not matter at all.¹⁶

However the findings of this research project do not support this claim in the cases of Tasmania and Texas. While the form of the contractor may be inconsequential to the funding agency, it is likely to be of concern to clients, and is certainly important at the level of societal structure. Nonprofit contractors not seeking profit for shareholders are able to plough surpluses generated into improved quality or quantity of services. Donors, philanthropists and taxpayers alike, who can all be considered stakeholders, can be assured that the organisation is striving to operate within the confines of stated missions and goals. In the case of for profit organisations, these considerations are secondary. They must primarily consider the interests of shareholders or company owners.

While the goal of efficiency is a defining factor for any contractor, it is important to consider the context. The concept of efficiency is related to the internal structure of the organisation. Nonprofit nongovernment human service organisations under contract seek efficiency consistent with stipulated goals, generally including stated qualitative service standards, that are not compromised by competing goals of profit. Haward and Zwart explain in considering local government reform that efficiency does not have a singular definition:

¹⁶ Annette Zimmer, 1997, quoted in Dekker, 'Nonprofit sector, civil society and volunteering', 128.

Efficiency can be defined in different ways: as allocative efficiency- defined as 'maximising the use of resources at the least cost'... or by utilising the concept of 'X efficiency' or dynamic efficiency. X efficiency focuses on the benefits made by 'stimulating organisational improvements' emphasising that 'efficiency' is not only gained from economies of scale.¹⁷

In many instances, where nongovernment nonprofit human service organisations cannot achieve the desired standard of service with designated funding, steps are taken to complement with surplus funds from other areas. Such a step is totally inconsistent with the approach of a for-profit organisation.

In both Texas and Tasmania, the operations of nonprofit nongovernment human service organisations were observed to be inconsistent with a dominant profit goal. Texan organisations attract high numbers of volunteers motivated by goals of social cohesion that would not be forthcoming in the case of for-profit organisations. Considerable taxation advantages are enjoyed by nonprofit nongovernment human service organisations in Texas and this allows the flexibility necessary to divert funds to areas of need, often without government agency funding of any kind. In Tasmania, contracts with government were observed to be highly legalistic in form. These contracts frequently describe the process required of the contracting

¹⁷ Haward, M and I. Zwart, 'Local Government in Tasmania: Reform and Restructuring' in *Australian Journal of Public Administration*, vol 59, no 3, September 2000, 34-48), 36.

organisation, and occasionally the standard of service. Rarely are particular outcomes defined in contracts. Outcome goals then are imposed by the contracted providers themselves, based on the broader policy implication. It is unlikely that a for-profit organisation with shareholders' well-being and profit maximisation as overriding goals, would strive for the same quality of outcome.

But, as Dekker points out, it is inappropriate to attempt to group these organisations with the altruistic voluntary associations and loose groupings typically assumed to occupy the civil society category:

I am definitely not impressed by the way some allies of the nonprofit sector have embraced to 'civil society' concept to give their interests a more sympathetic and appealing label... it would be quite misleading to redefine established service delivering nonprofits as core institutions of civil society. Associations that can embody civil society aspirations are a negligible part of the nonprofit sector.¹⁸

It is important to recognise that Dekker is describing the social groupings evident in the Netherlands, and to a degree, other parts of western Europe. Nevertheless, there are some clear insights that can be drawn from his analysis and usefully applied in other locations. Dekker's comments about the inconsistency between sophisticated nonprofit service providers and the fundamental or traditional

¹⁸ Dekker, 'Nonprofit sector, civil society and volunteering', 138-9.

characteristics of civil society organisations hold true for both the Texan and Tasmanian cases, as described in the preceding chapters. A sector of organisations variously motivated by commitment, purchasing power, ascription and legal authority, depending on their role, exists and must be accommodated by any coherent theory of societal structure. The existing models are inadequate and not sufficient as tools of analysis.

There are indications that civil society as a concept cannot account for the modes of operation arising from contractualism and competitive tendering, requiring entrepreneurial market-oriented behaviour of its members. The models proposed by Streeck and Schmitter, and Dekker, while providing detailed insights that extend the traditional and limited characterisation of civil society, are nonetheless inaccurate when applied to the cases of Texas and Tasmania and therefore a revised fourth pillar model is proposed. This revised model comprises:

1. *The polity:*

This group engaged in developing and applying laws and regulations and some service delivery. The service delivery component is in decline in both Texas and Tasmania.

2. *The market:*

The prime activity of this group lies in profit seeking through exchange of goods and services for funds or resources. The overriding goals in this group are profit maximisation and advancing the shareholders' interests.

3. *Community:*

This sector is engaged in voluntary associations, altruism and private personal interactions. Underlying motives are social connection, community strengthening and voluntariness.

4. *The Entrepreneurial Civic Service Pillar:*

This is a sector of formal organisations engaged in strategic and managerial functions with active relationships with the other sectors. These organisations are not profit driven, but nor are they wholly altruistic. They have goals of efficiency and effectiveness in the context of outcomes for clients. These organisations are at once operating in a competitive environment to provide services in a business-like manner, and wearing the mantle of charitable worthy organisations with a privileged taxation status that attracts donors and volunteers with philanthropic motives.

The societal structure used for this analysis of human services organisations is developed from the work of Streeck and Schmitter,¹⁹ and Dekker²⁰. It is necessary to outline the societal framework developed by Dekker in its entirety in order to understand his definition of civil society. His construction of a social order proposes four pillars in society: community, market, state and civil society. Writing about aspects of Western Europe, he explains the category of civil society is drawn from a

¹⁹ Streeck and Schmitter, 'Community, market and state- and associations?'

²⁰ Dekker, 'Nonprofit sector, civil society and volunteering'

fourth model developed by Streeck and Schmitter, defined as an 'the neo-corporatist associative model.'²¹

The market pillar is likely to be populated by business organisations and political parties. Decisions are made on a basis of supply and demand, made possible by the currency of money and votes. The defining principle is one of competition, producing private goods for exchange in a market. Unintended consequences of a positive nature, described by Dekker as 'positive externalities', are prosperity and accountability.

Unlike most theorists in this area, Dekker considers political activities to be neither fundamentally ideological nor bureaucratic.²² The State pillar then does not include party political structures and activities, but consists of bureaucratic agencies with a hierarchical structure and power distribution. It is clear then that Dekker views the state as neither innocuous nor powerless, representing the views and wishes of the elected government. The state is seen as influential, wielding legitimate authority, dealing in collective goods and exercising coercion as appropriate.

The community pillar is composed of families and neighbours who generally make decisions collectively or by consensus. The defining principle is one of

²¹ Dekker, 'Nonprofit sector, civil society and volunteering', 129.

²² Dekker, 'Nonprofit sector, civil society and volunteering', 126.

solidarity constructed around ascribed characteristics. The goods generated by this sector benefit a recognised client group. The positive unintended consequences are mutual affection and collective identity. The means of generating these goods and externalities is said to be esteem: an enhanced reputation and standing in the social group and a sense of fulfilment. It is community that has often been considered the site of volunteering and activity associated with non-government organisations in the past. But there is a fundamental difference between the activities of supporting and assisting family and friends, a type of mutual benefit action, and the types of activities that occur around the arena of civil society identified by Dekker.²³ Civil society then is voluntary but highly organised, with elements of the community, market and state pillars. Community sector activities are often concealed and taken for granted. They are the acts of an individual as a member of community or a significant group within the community.

Civil society is based on voluntary actions through which individuals may become participants of organisations, motivated by commitment and making decisions through debate. The productive process delivers a range of solidaristic, private and collective goods, with unintended positive outcomes of social capital and public discourse. In other words, this sector draws the individual into voluntary associations that pay civic benefits. The activity in this sector has characteristics of market state and community, as becomes evident from the mixed goods it produces,

²³ Dekker, 'Nonprofit sector, civil society and volunteering'.

and the externalities that impinge on the market and state sectors. Social capital is laden with meaning borrowed from both the community and market sectors, implying the development of a surplus value, and public discourse is stuff of political parties and that part of the state that invents, augments and implements public policy.²⁴

The entrepreneurial civic service component of society is populated by formally arranged organisations. These organisations have boards or management committees composed of community oriented individuals, voluntary and committed, altruistic and motivated by a desire for social solidarity. The management and staff are composed of individuals functioning hierarchically in the administration of goods and services for which some clients are eligible. Each organisation operates in a somewhat artificial market-like environment, competing against similar organisations as well as against organisations and individuals within the market pillar. An organisation in the entrepreneurial civic service pillar then competes in a market, is directed by a group generally with shared norms, values and goals within the organisation, has management that directs the collection of surplus value, and is staffed by employees who sell their labour in exchange for income and benefits. In many cases, volunteers also contribute to the organisation's output, motivated by self-fulfilment and altruism. Throughout, commitment to organisational goals is assumed to a greater or lesser degree.

²⁴ R.D. Putnam 1993, quoted in Dekker, 'Nonprofit sector, civil society and volunteering'.

This sector or pillar has a dynamic and vibrant relationship with the other sectors. The state requires compliance, and also expects the Entrepreneurial Civic Service pillar to apply its rules to ensure services are appropriately targeted.

Competitive tendering is an example of the market mechanisms imposed on the Entrepreneurial Civic Service pillar. Because the state regards organisations in the market and Entrepreneurial Civic Service pillar equally when competing for funds, assessing them by capacity to meet the terms of the tender offered efficiently and effectively, Entrepreneurial Civic Service pillar organisations must meet the demands and cope with the rigours of a market. This requirement to compete extends to rivalry between Entrepreneurial Civic Service pillar organisations for corporate, foundation and individual donations.

A hybrid fourth pillar:

Clearly there is a need for a fourth pillar in an accurate model of contemporary society. A template of only three, community, market and state, leaves many significant, influential and valid social groupings and activities not obviously fitting into one or other category. But nor are they consistent with the category of civil society as drawn by Dekker. A sector of organisations of individuals variously motivated by commitment, purchasing power, ascription and legal authority, depending on their role, exists and must be accommodated by any coherent theory of societal structure.

Conclusion

Civil society in contemporary discourse is lauded, but is also identified as under serious threat from the market and state sectors. Perhaps the concept of civil society is no longer appropriate. Notions of 'the third sector' are considered but found wanting because of the enormous range of organisational forms and activities it encompasses. Characteristics of a particular group of these organisations, nongovernment nonprofit human service organisations, appeared to be extremely varied. The individuals and organisations involved in what has been termed the third sector display considerable diversity and divergence. Recognising this, Streeck and Schmitter²⁵ and Dekker²⁶ propose alternative models of society that include a fourth category.

The analysis of nongovernment nonprofit human service organisations has demonstrated clearly that the traditional three sector model of society is inadequate as a tool of analysis, and as a meaningful representation of society. The revisions proposed by Streeck and Schmitter, and by Dekker, involving the inclusion of a fourth pillar, are likewise limited, yet direct attention to a fruitful line of enquiry. Linking key variables –the degree of market orientation and internal organisational characteristics (structure and planning, management approach, sources of funding, and types of services) provides a basis for a more sophisticated classification and

²⁵ Streeck and Schmitter, 'Community, market and state- and associations?'

²⁶ Dekker, 'Nonprofit Sector, Civil Society and Volunteering'.

analysis of civil society organisations. This leads to a model that like that proposed by Streeck and Schmitter, and Dekker, includes a fourth pillar. This model comprises the polity, the market, community and the entrepreneurial civic service pillar.

The market and polity pillars are stable concepts on which there is wide agreement. The community pillar is composed of individuals and small informal organisations with extremely low market orientation. The entrepreneurial civic service pillar is composed of organisations that bear some resemblance to market organisations in that they are to a degree market oriented, but only as a means of survival. They are driven by goals of social responsibility and humanism, and sometimes by religious convictions. Their means of achieving these goals are market-like and pragmatic.

The fourth pillar provides an accurate model and a powerful analytical tool to examine and understand organisations loosely categorised as comprising the 'third sector' or as civil society. The introduction of the category of the entrepreneurial civic service pillar invites ongoing research. Such research can focus on the relationships among these organisations, and the extent to which such organisations provide alternatives to more pessimistic conceptions of the relationship between the individual and the polity. Research on entrepreneurial civic service organisations can extend the limited methodological approach that sees civil society as simply occupying a shrinking middle ground between the state and the private sector.

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