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# Measuring the Impact of the Third Sector: From Concepts to Metrics

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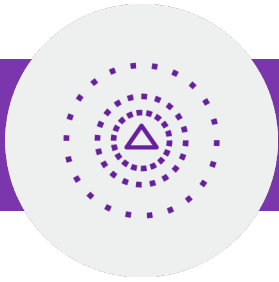
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# 1 Introduction

The idea of third sector remains characterized by conceptual ambiguity. One reason for the resulting conceptual confusion is the enormous diversity of entities potentially embraced by this concept and the wide variety of terms used to depict it. Included here are organizations variously referred to as voluntary organizations, nonprofit organizations, nonprofit institutions (NPIs), nongovernmental organizations (NGOs), associations, civil society organizations, solidarity organizations, cooperatives, mutuals, foundations, and, more recently social enterprises and social ventures. What is more, these organizations perform a variety of functions: service provision (e.g. education), advocacy for particular causes or interests (e.g. unions, advocacy organizations), providing so-called “club goods” to members (e.g. sport clubs, wine cooperatives), support for other third sector organizations (e.g. foundations). Beyond these organizational manifestations of the third sector are a variety of extra-organizational or non-organizational forms of more or less spontaneous group action, such as popular demonstrations, social movements, and neighbours helping neighbours. Another reason is that different concepts have been used by both researchers and practitioners to design the array of organizations and initiatives which do not belong to the state, business, or family sector, ranging from civil society, public sphere, voluntary sector, non-profit sector, social economy, and third sector, and each emphasizing some features or functions of these organizations and initiatives.

Salamon, & Sokolowski (2014) have developed, as part of the Third Sector Impact project, an empirical and operational conceptualization that clarifies the definition and boundaries of the third sector in both its organizational and individual-informal components. This seminal contribution has made a crucial advance in direction of the disambiguation of the concept of the third sector and has laid the ground for its operationalization in the National Account Systems in Europe, a necessary step towards guaranteeing the visibility and legitimacy of the third sector as an important component of European societies. It remains to confront this conceptualization to alternative concepts, especially those of civil society and public sphere, in order to ground the concept of third sector theoretically. Additionally, this conceptual clarification is a necessary stage in the process of identifying the domains of impact to be considered in the exercise of assessing the socio-economic impact of the third sector.

The strategy adopted in this essay consists, firstly, in clarifying the meanings of the concepts of civil society, public sphere and third sector. First, the genealogy and different



meanings of the concept of civil society are surveyed. In a next step, the idea of a differentiated “civil sphere”, autonomous but inter-related with the other social spheres of family, the economy, the state, and religion is presented. From this viewpoint, the concepts of civil society, public sphere, and third sector are considered as analytical concepts emphasizing different dimensions of the civil sphere: value plurality, associative life, and values and norms maintenance for the concept of civil society; communicative action and values contention for the concept of public sphere; value-oriented economic and social action for the concept of the third sector.

From the functions identified in the conceptual analysis, the essay turns, secondly, to infer the domains of impact and the social and causal mechanisms, linking dimensions and functions of the third sector to its expected impacts.

## 2 Civil society, the public sphere and the Third Sector: from normative to analytical concepts

Historically, the concept of civil society finds its origin in the Aristotelian idea of the *polis* - the life of the city-state, including the institutions of the state, value and market that transcended the sphere of the private. This public was contrasted with the private household, the *oikos* (Crouch, 2011). When Aristotle was translated into Latin, *polis* was translated as *societas-civilis*: “civil society”.

The concept of civil society gained a renewed attention in the late twentieth century, initially in Central Europe and Latin America, and then among political theorists “trying to identify a realm of dialogue and human exchange *excluded by polity and market alike*” (Crouch, 2011: 153). In its contemporary form civil society can be seen as constituting the realm of value (Alexander, 2006). In its modern meaning, civil society includes voluntary and non-governmental organizations constituting the voluntary or third sector, but extends to “the scope of human action beyond the private that lacks the primary contemporary means of exercising power: the state and the firm” (Crouch, 2011: 154).

However, between these two temporal points, between its origin and our contemporary understanding, the process of modernization has entailed a progressive differentiation of the three components of civil society (*polis*) - state, market and value - and the concept has undergone various changes, adding to its connotations and references. It is necessary to disentangle these levels of meanings that have been superposed and associated to the



concept of civil society through its history. Such a genealogical analysis is a necessary detour for developing a critical appraisal of the concept and for transcending its normative limitations.

In what follows, the concepts of “civil society”, “Third Sector”, and “public sphere” are considered as analytical devices for grasping the same empirical reality. Civil society can be considered – as a result of our investigation - as a functionally differentiated sphere of society, distinct from the spheres of the family, the economy, the religion, and of the political power (state). The concepts of “civil society”, Third Sector and of “the public sphere” constitute, from our viewpoint, different analytical perspectives on the same set of empirical phenomena characterizing the “civil sphere” of society. Analytically, “civil society” refers to one dimension of the “civil sphere” – the dimension of associational life and of common norms and values, the notion of “public sphere” refers to its communicative dimension, to public discourse. Both concepts have its origins in political theory and emphasize the political role and effects of the civil sphere. The concept of Third Sector, is more recent, and originates in economic thinking – contrasting with the market and the public sector – and emphasizes the economic and social dimensions of the civil sphere in a more instrumental way.

## **2.1 Civil society: genealogy of the concept**

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The changing meanings of the concept of civil society across historical time, has generated several genealogies and typologies of this evolving concepts, aiming at making sense of its complexity and relating those meanings to our contemporary understanding. Surveying these genealogical accounts is a necessary detour for developing a sociological conceptualization of civil society.

A first possible genealogical account is the one proposed by Kocka (2004), who underscores the changing meanings of the concept of civil society both across time and space. The meaning of the term is not identical in different languages, ‘civil society’ in English, *Zivilgesellschaft* or *Bürgergesellschaft* in German, have oscillated and it is necessary to retrace the different configurations that are at the origin of both the ambiguity and the attractiveness of such a concept. Its connotations have varied, but were concerned with social and political life beyond the domestic sphere.

Kocka (2004) distinguishes three stages of the development of the concept. During the first, the term civil society, through the contribution of the writers of the Enlightenment



(Locke, Ferguson, Montesquieu, Kant) was gradually defined in contrast to the state (absolutist state).

During the second phase, as a result of the development of capitalism and industrialism, the meaning of the concept, through the contributions of Hegel and Marx, has been understood as a system of need and work, as the realm of the market and particular interest.

The last phase, starting in the 1980s, was characterized by a renewal and comeback of the concept of civil society, as it became a central expression in anti-dictatorial critique, especially in East Central Europe, but also in association with movements observed in Latin America and South Africa. In its contemporary meanings, the concept emphasizes self-organization and individual responsibility, and appears as an alternative to capitalism insofar as it embodies a logic characterized by discourse, conflict and understanding, cooperation, association, promotion of the common good, alternate to the logic of the market, competition, exchange and maximization of individual interests.

Another genealogical perspective is the one put forward by Charles Taylor (1990). Charles Taylor identifies two major traditions, one deriving from John Locke and the other from Montesquieu. For Taylor, our notion of civil society is complex and results from an amalgam of two rather different influences, which he termed the L-stream (the tradition of Locke) and the M-stream (the tradition of Montesquieu).

For Locke, society exists before government; government results from a first contract, taking individuals out of the state of nature. Prior to all political society humans form a kind of community under natural law. Locke uses the term “civil society” in its traditional sense, as synonymous with “political society”, but according to Taylor, he is preparing the ground for the emergence of a new, contrastive sense, from which the conceptions of a self-directing society, a limited state and a civil society as a source of resistance to the state, will emerge (Elliot, 2003).

The other tradition, which Taylor identifies with Montesquieu, underscores the rule of law and the “corps intermédiaires” as a counterweight to government for avoiding despotism. Indeed, for Montesquieu and his disciple Alexis de Tocqueville, the answer to the problem of limiting the absolutist state was to protect the constitution by counterbalancing independent bodies (Eliot, 2003). Montesquieu emphasized the towns and estates of medieval Europe, whereas Tocqueville identified democratic the role of local associations of citizens “acting together in the affair of daily life” (Democracy in America, New York: Harper and Row, 1969 p 521).



For Taylor, the central feature of the L-stream is the elaboration of a richer view of society as an extra-political reality ushering in a picture of society as an “economy” as it is the case with Adam Smith, a dimension that figures in Hegel’s formulation of the “system of needs” which was taken over and reduced to it by Marx. Marx’s conception of civil society as market or system of need and work represented an impoverishment of Hegel’s concept which owed, according to Taylor, something to the M-stream, so that Hegel’s civil society incorporated independent self-managed bodies, the Corporations. However, for Taylor, in the L-stream the economy is not the only component, the development of an autonomous public with its own “opinion”, was also of importance. From the L-stream, Taylor identifies two ways in which society can come to some unity or coordination outside of political structures: the self-regulating economy and the public opinion. Hegel for Taylor, realizes a synthesis between L- and the M-streams in his concept of civil society, by distinguishing, where Aristotle distinguished *polis* from *oikos*, three terms in *Sittlichkeit*: family, civil society and the state.

The genealogical perspective developed by Jeffrey Alexander (2006) identifies, in a more critical way than the authors we have discussed so far, two main conceptions of civil society, labelled civil society I (CSI) and civil society II (CSII) and diagnoses a trend toward a return of CSII in the contemporary conceptions as well as the need for transcending these two conceptions with a less normative and more sociological concept of civil society.

For Alexander, the concept of civil society I, originates in the writings of Locke has been further developed by Scottish moralists as Adam Ferguson and Adam Smith, by Rousseau and Hegel, and employed by Tocqueville. CSI is for Alexander “a diffuse, umbrella-like concept referring to a plethora of institutions outside the state”. It also includes the capitalist market and its institutions, but also religious organizations, private and public associations and organizations, and all forms of cooperative social relationship. The decisive transformation is, for Alexander, due to the fact that, whereas during the seventeenth and eighteenth centuries the market was endowed with civilizing and moral qualities, in the early middle of the nineteenth century, the development of capitalism’s industrial phase rendered this association obsolete.

The concept of civil society II, as the result of the development of industrial capitalism, is no longer associated to cooperative, democratic, associative and public connotations, but pejoratively associated with market capitalism alone in Marx’s writings. For Alexander (2006: 27) “the legacy of this century-long distortion of the capitalism-civil society relationship had regrettable effects. Identifying society with the market, ideologists from





the right side argued that the effective functioning of capitalism depends on the dissolution of social controls (...). He traces a line between this identification of civil society with the market in Marxist thinking and the tendency of non-Marxists thinkers such as Walter Lippman, John Dewey, C. Wright Mills, Hannah Arendt, Jürgen Habermas, and Robert Putnam, to identify the development of capitalism and the process of modernization with the disappearance of public life. “Because CSI had given way to CSII, they could no longer draw upon the idea of an independent civil sphere” (Alexander, 2006: 28).

Alexander emphasizes that, paradoxically, it is Antonio Gramsci who made a rupture from the reductive understandings of CSII and was at the origin of a renewal in critical democratic thought, by developing an anti-individualistic and anti-economistic approach to civil society, conceived as the realm of political, cultural, legal, and public life and occupying an intermediate space between economic relations and political power, being relatively autonomous from both the economy and the state.

For Alexander, the recent renewed interest in civil society is problematic insofar as it has largely meant a return to CSI. An example of this tendency is for Alexander, John Keane’s definition of civil society in his book “Democracy and Society”, as “the realm of social activities”, a realm that includes “privately owned”, “market-directed”, “voluntary-run” and “friendship-based” organizations (...). A definition that encompasses all forms of private, non-state activities, and consequently fails in differentiating civil society from both the market and the religious sphere. Another example proposed by Alexander, is the reconceptualization of civil society advanced by Cohen and Arato who develop a model of society that went well beyond CSI and CSII. “Nonetheless (...) this major work failed to define a civil sphere as distinctive vis-à-vis such arenas as family life, and neglected entirely the relation between the civil sphere and such arenas as culture, religion, ethnicity and race” (Alexander, 2006: 29).

It is, consequently, possible to identify four meanings of the term of society, depending on the notions with which it is contrasted. In its original meaning, *societas civilis* the term-civil society refers to the rule of law and to the existence of political community. Civil society is not contrasted with the state, but with war i.e. non-civil societies. This meaning emphasizes also the self-organizing capacity of society in the tradition of Locke and the Scottish enlightenment. In the bourgeois society (*Bürgerliche Gesellschaft*) meaning (Hegel and Marx), civil society is the arena of ethical life between the state and the family, which has been historically produced by the development of capitalism. If Hegel and Marx drew on the insights of the Scottish enlightenment thinkers (Adam Smith and



Adam Ferguson) for whom market exchanges constituted the necessary condition of a civil society, there is a continuity, that Taylor emphasized, Aristotle's polis, Hobbes and Locke *Societas civilis* and Hegel's bourgeois society. Indeed, Hegel's conception of modernity as estrangement, as a result of a bifurcation between individual (modern liberty) and community (polis), leads him to make a synthesis between civil society as *polis* and civil society as system of needs (market), by differentiating the state from civil society. In Hegel's thought, civil society is conceived as the moment of the abstract universal, which is realized as concrete universal (reconciliation) in the state. A third meaning, associated with Montesquieu and Tocqueville, refers to the "*corps intermédiares*", the associational life that constitute a counter-weight to the domination of the state. The last meaning, developed by Gramsci, and that informs most of our contemporary understanding of civil society, considers it as the realm of political, cultural, legal, and public life, differentiated from economic relations (the market) and political power (the state).

In addition to distinguishing different stages of development of the concepts, Kocka, Taylor, and Alexander consider different clusters of conceptions of civil society and different genealogical influences and ramifications. Different normative orientations in political theory usher in different notions of civil society, regarding the content of the concept (its boundaries and contrasting opposition), but also its finality, *telos*, and functions.

The content of the concept of civil society was first specified in contrast to the state of nature and referred to secular constitutional order; it was, second contrasted to the state and defined by Hegel as "the realm of difference, intermediate between the family and the state". It was then narrowed to forms of interactions that are distinct from both state and market, by on the one hand, Tocqueville for whom associational life was a decisive component of what he called "democratic expedients", and on the other hand, by Gramsci who called into question the economism of the Marxist definition of civil society. In its contemporary usage, the term refers to social movements, associations, NGOs and non-profit sector (Kaldor, 2003).

In view of this manifold of normative concepts and functions of civil society, there is an urgent need to developing an unified sociological theory of civil society that, on the one hand, takes stock of the insights of the different theorists that have contributed to its conceptual development, but that also, on the other hand, allows analysing empirically "real" civil societies as they function, independently of normative or ideological commitments. A sociological conception of civil society needs to, in addition to criticizing the concepts elaborated for accounting of the societies of the nineteenth and early



twentieth century, build upon a social theory adapted to modernized, highly complex and differentiated post-industrial societies. As we will insist later on, one of the shortcomings of contemporary conceptions of civil society is their failure to conceptualize the autonomy of the civil sphere, in complex and differentiated societies, together with their interactions and boundary relations with the other spheres.

## **2.2 Towards an analytical perspective on civil society, the public sphere and the third sector**

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The concepts of “civil society”, “the public sphere”, and the “Third Sector” may be considered as different analytical perspectives on the same set of empirical phenomena characterizing a “sphere” of society. The concept of “civil society” puts the emphasis on associations and the generation of common norms and values and emphasizes its political functions and impact, the idea of the “public sphere” emphasizes on the value of constructive dissent, communicative action, and contributions to public discourse taking place within this sphere. In turn, the concept of “Third Sector” may be conceived as putting the emphasis on the economic and social functions and impacts of this societal (civil) sphere.

### **2.2.1 Civil society as civil sphere**

Different theoretical paradigms – such as Republican, Communitarian and social capital theories of civil society have focused on the normative and value dimension – trust, reciprocity, community, social integration – and the associative dimension of civil society, while the social movement and the public sphere literature have dealt with the public voice, inputs generation to the political process, and the change-agent dimensions of civil society. Civil society, as a social sphere, encompasses ‘a complex and dynamic ensemble of legally protected non-governmental institutions that tend to be non-violent, self-organizing, self-reflexive and permanently in tension with each other’ (Keane, Civil society, p 6), a social space related to, but distinguished from, government, business, and the private sphere.

The idea of differentiated social spheres and spheres of justice have been advanced by Michael Walzer (1983) and by Luc Boltanski and Laurent Thevenot (2006), suggesting that complex societies contain several regimes of justification. Following Alexander (2006:33), we contend that “no social sphere, not even economic, should be conceived in anti-normative terms as governed only by interest and egoism. They have immanent moral structures on their own right”. Civil society is the regime of justification or the sphere of



justice that is normatively coordinated and regulated by its reference to the common good and democratic principles. As formulated by Alexander (2006:33), “the codes and narratives, the institutions, and the interactions that underlay civil solidarity clearly depart from those that regulate the world of economic cooperation and competition, the affectual and intimate relations of family life, and the transcendental and abstract symbolism that form the media of intellectual and religious interaction and exchange”.

Civil society is a sphere of society that has to be analytically considered as independent (having its own normative logics, regime of justification of or justice) and empirically differentiated from the other spheres of societies. This does not preclude that civil society interact with and is interpenetrated by other social spheres. Civil society and other social spheres do not, however, co-exist in harmonious interchange, as functionalist theories of differentiation suppose. Justice, in civil society and in the other social spheres, is a matter of struggle (of value and cultural struggle, social movement, demands for recognition and inclusion, institutional change). However, “in terms of the normative mandates established by democratic societies, it is the civil sphere of justice that trumps every other. The universality that is the ambition of this sphere, its demands to be inclusive, to fulfil collective obligations while at the same time protecting individual autonomy – these qualities have made the civil sphere the court of last resort in modern, modernizing and postmodernizing societies. (...) It has been the immanent and subjunctive demands of the civil sphere that have provided possibilities for justice” (Alexander, 2006:34).

From this viewpoint, not only markets, but “religious hatreds and repression, gender misogyny and patriarchy, the arrogance of expert knowledge and the secrecy of political oligarchy, racial and ethnic hatreds of every sort – each of these particularistic and anti-civil forces” (Alexander: 35), are threats to civil society.

Consequently, civil society is the sphere where, on the one hand, different conceptions of justice (the common good, visions of the good life, solidarity and the definition of the boundaries of the community) are confronted, discussed, deliberated, communicated, become object of struggle for universal recognition, where different values and conceptions of the good are embodied, actualized and realized through associations, charities, non-profit organizations and NGOs developing different types of activities, services and projects. Conception of public good can be explored and turned into practical projects, against the state’s claim to monopoly of the legitimate interpretation of collective values, and against the market’s claim that the conversion of values into monetary values is the only form of good. Since civil society is constituted by vast array of competing groups and ideals, with different and sometimes opposed moral agendas, it is



from this perspective, the space where these moral ideals struggle to achieve hegemony and obtain universalization. From this viewpoint, civil society is a terrain of contestation and conflict, characterized by fundamentalism and reaction, as well as progressive social movements.

Civil society is, on the other hand, the sphere where demands for justice, regulation and limitation of the other non-civil spheres, emanate and are negotiated, pushed through the state and the political system (who has the capacity to universalize and to coerce). In civil society, challenges to domination and injustices (emanating from the state, the market, the religions, and diverse forms of particularism) can be made and social transformation can result from these demands.

### **2.2.2 The public sphere**

The ideas of public reason and of public sphere have originated in political theory and are normative by nature. There is a close link between theories of civil society and the public sphere, on the one hand, and democratic theories, on the other hand. Ferree et al. (2002) distinguish, for example, four normative perspectives on the public sphere linked to different orientations in the political theory of democracy: representative liberal theory (Schumpeter, 1942; Downs, 1957); participatory liberal theory (Hirst, 1994; Barber, 1984); discursive theory (Habermas, 1984,1996; Guttman & Thompson, 1996); and constructionist theory (Frazer 1992; Benhabib, 1996; Young, 1996; Mouffe, 2000).

These approaches have in common to bringing answers to questions central to normative problems of political theorizing about the necessary qualities the public sphere must possess in order to foster public life, the scope and domain of public participation, the form and content of public discourses, and the nature of desirable outcomes.

Representative liberal theory has an elitist and conservative stance and sees the public sphere as a means of strengthening a system of formal representation and competition among elites. Participatory liberal theory emphasizes citizens' participation in public decisions and opens for a range of communicative styles. Discursive theory, as elaborated by Habermas, conceives the normative ideal of the public sphere in terms of communicative rationality embodied in the concept of "an ideal speech situation". Constructionist theory, inspired by the work of Michel Foucault identifying discourses as the practice of power diffused outside the formal political institutions, challenges the desirability of a single public sphere and emphasizes the ineradicable character of antagonism characterizing the public sphere.



Issues of contention among these normative perspectives concern the scope of relevance of the public sphere, the kind of talk that ideally should characterize public deliberation, the role of rationality and emotions in public deliberations as well as the power mechanisms that are at play in public deliberations.

For some theorists public deliberations are only relevant within the framework of decision-making within the institutions of representative democracy (“strong public spheres”). Republican or participatory-liberal theorists emphasize the necessity of broader forms of popular forms of deliberation within the public sphere and especially within the networks of civil society.

Public deliberation may be deemed different from the ideals of communicative rationality. The Habermasian ideal of communicative rationality conceives deliberation as fully rational and impartial reasoning entailing the imperative that participants agree to the best argument independently to their particular interests or identities. However, political talks are aimed at finding solution for conflicts and have a purposive and instrumental orientation. In addition a strict focus on rational deliberation disqualifies everyday talk and its relevance for democracy. In most informal political discussions, people are not deliberating and are often discussing opinions available in the media formulated by opinion-makers, such as politicians and journalists. Barber (1984) notion of “civic talk” attribute political relevance to informal interactions since political discourses and actions often emerge as a result of informal conversations to become civic talk via the stimulation and interaction with the media. Informal discussions (also occurring within social media) have the potential of becoming civic and political discourses by establishing links between, on the one hand, the private and personal, and on the other hand, the public and political. In such situations the participants’ position is transformed from being a private person to acting as citizen.

Rationality in political communication is a necessary condition for avoiding degeneration of the debate in the public sphere. However, other expressive and emotional communicative strategies such as “irony, personal narrative, aesthetic interventions, theatricality, and visibility...” (Khon, 2000:425) are necessary for motivating and maintaining political engagement. In addition, the demands of communicative rationality may be considered as unrealistic: people engaged in political conflicts are neither neutral nor dispassionate.



Another issue has to do with discursive and social power. The ideals of democracy suppose that all participants are equal. However, participation in public deliberation often correlates with power and cultural capital. As pointed by Young (1990), public settings that require universal, neutral and egalitarian discursive modalities may reflect the *habitus* of the privileged class and constitute a form of symbolic power. Further, there exists a contradiction between the ideals of public deliberation (at least from the viewpoint of discourse ethics) and the nature of politics involving power and conflict relations.

Additionally, and common to these approaches, in addition to being philosophical elaborations – not analysis of how the “real” public spheres work - is the fact that they tend to develop, most often implicitly, their conceptions of interaction within the of the public sphere on the basis of a dialogical model which supposes a forum, a physical space, of face-to-face interaction between the participants constituting a public. Such a conception underplays the role of the media and of communication technologies as necessary means of communication in complex and differentiated societies (Bohman, 2004). When modelled on the ideal process of face-to-face communication, concepts of the public sphere suffer severe spatial and temporal restrictions on public and political interaction and the institutionalizing and structuring role of the media is often under-theorized. The interactional dimension of the public sphere through the institutionalized media is crucial. “The dimension of interaction consists in two aspects. First it has to do with the citizens’ encounter with the media – communicative process of making sense, of interpretation. The second aspect of interaction is between is that between citizens (and between citizens and power holders of different kinds)” (Dahlgren, 2009: 73). If the media are part of the public sphere, the public sphere is also larger than the media and includes a “communication and cultural chains that include how the media output is received, discussed, made sense of, re-interpreted, circulated among, and utilized by publics, that is citizens” (Dahlgren, 2009: 74).

The ideals promoted by these normative theories of the public sphere give important insights for analysing the actually existing public sphere, but present at the same time some central shortcomings for carrying out such a task insofar as they overlook the way the media organize and institutionalize the public sphere (Jacobs & Townsley, 2011), and as far as they privilege some forms of communicative practices over others. For example, Habermas’s normative theory of deliberative politics does not take into account the aesthetic, cultural and performative dimensions of the public sphere (Alexander, 2006) whereas the social constructionist perspective emphasizes these dimensions, but plays



down the argumentative and deliberative dimensions. In order to develop an analysis of how both the mass media and social media institutionalize the public sphere, and of the ways different media formats encourage different kinds of speech, performative styles, cultural codes, narratives and rhetorical structures, there is a need to move beyond the theoretical frameworks of these normative perspectives.

An analytical conception of the public sphere does not ask what the ideal qualities of the public sphere should be, who should participate and which forms the ideal discourses should have. On the contrary, it enables looking at the public sphere as a social phenomenon and provides the conceptual tools for explaining how digitalization transforms the structural and institutional basis of the public sphere, and how these changes impact on the participants, discourses and symbolic structures of the public sphere.

The public sphere can be defined as comprising the institutional communicative spaces that facilitate public discussion and the formation of public opinion. The public sphere is not unitary but consists of a manifold of communicative spaces. These spheres are not equal in terms of political impact and it is usual to distinguish between mainstream vs. counter-public spheres. In addition, if ideally access to the public sphere is universal, many exclusionary mechanisms inhibit equal access to and participation in the public sphere, such as mechanisms based on class, ethnicity or gender.

From such a perspective, “politics is a discursive struggle” (Alexander, 2006:233). The stakes of the communicative interactions taking place in the public sphere – through the media, in public forum and civic associations – are different conceptions of justice, of the “good life”, of the promises of universalizing solidarity. The public sphere is the space where struggles for realizing the promises of universalizing freedom, equality, and solidarity - entailing redistribution, recognition, and incorporation or inclusion - take place. But the public sphere is not only an institutional realm. It is also a cultural realm constituted of networks of meaning that are built upon distinctive symbolic codes. This symbolic dimension is critical in constituting the sense of belonging to and participating in a democratic society (Alexander, 2006).

### **2.2.3 The third sector**

Corry (2010), in his overview of existing definitions and theorizations of the third sector, makes a distinction between approaches that put the emphasis on definitions, and those that theorize the Third Sector. The definitional approach – labelled “ontological”, understands the third sector as a certain kind of institution (or group of actors) with





specific “third sector” characteristics. Whereas the American ontological perspective sees the third sector as a discrete sector characterized by certain qualities such as civility, the European approach emphasizes the hybrid nature of third sector organizations as a mixture of other kinds of social organization or logics such as private and public, or market and hierarchy. The second approach, labelled “epistemological”, conceives of the third sector not as an object to be defined but as a societal process, seeing the third sector as a form of ordering of people and ideas (“governmentality”) or as a zone of dialogue or struggle between diverse actors. In many of the approaches surveyed by Corry (2010), the concept of “third sector” is often a synonym for that of “civil society”. Additionally, the “European approach” as exemplified by Evers (1995), conceiving the third sector as a hybrid form of various kinds of organizations (firms, bureaucracies, and kinship associations) acting “as hybrids, intermeshing different resources and connecting different areas, rather than setting clear demarcation lines around a sector and mapping its size” (Evers 1995: 160), is confusing and does not allow identifying positively a third sector differentiated from other societal spheres.

The concepts of civil society, public sphere, and third sector have to be defined both ontologically and epistemologically i.e. in terms of which features define and differentiate the concept and in terms of which processes characterize the phenomena. If, as we propose here, the concepts of civil society, public sphere, and third sector are analytical concepts emphasizing different dimensions of the same empirical phenomena - that of a civil sphere – it is necessary to specify which dimension characterizes the third sector compared to the other specifications (civil society and public sphere). As already outlined, the concept of third sector may be seen as emphasizing the economic and social dimension of the civil sphere, in contrast to its associative and norm-maintenance dimension (civil society), and communicative dimension (public sphere). The reason why the analytical concept of third sector is necessary is due to the fact that actors and organizations within the civil sphere have to be also differentiated from economic actors in the economy (the market) insofar as their economic activities are primarily axiological (value-oriented) and not primarily economic. In contrast to the “hybrid conception” of the third sector, the civil sphere has to be seen as interacting with the other societal spheres (including the market economy), there are continually interchanges across the boundaries of the different social spheres, both in analytical and concrete terms. Additionally, actors and organizations in the civil sphere, if they are primarily oriented towards the realization of values, need, in most of the cases, to mobilize means and resources and to achieve instrumental goals, including economic ones, in order to actualize the values they seek to realize.



Economic theory has attempted to explain third sector organizations (their specific institutional forms) in terms of the paradigm of rational choice. Rational choice theories explain social systems behaviours as a result of rational actors' interactions. The equilibrium concept is the key of such approaches. Both social system's structures and behaviour appears as the result of a series of interactions between actors that converge towards a stable state qualified equilibrium. Three types of explanation may be distinguished (Knight, 1995). (i) In terms of contract (Coase, 1937; Williamson 1975, 1985). Institutional forms result from a minimization of transaction costs; the existence of an institution being more efficient than its absence. (ii) In terms of conventions (Lewis, 1969) Institutions result from repeated interactions where actors benefit from coordination. (iii) In terms of bargain; institutions appear from this viewpoint as a bi-product of the strategic conflicts about resource distribution.

A consequence of the rational choice theory of institutions is that institutional forms are conceived as efficient: the only reason for institutions to exist is to improve rational actors' welfare. The existence of nonprofit institutional forms in a market economy is explained by market failure theory (Weisbrod, 1977; Hansmann, 1975) or transaction costs theory (Williamson, 1975) as the result of efficient institutional solutions in order to deal with failures dues to public goods, informational asymmetries and transaction costs. In addition, these explanations share a common behavioural assumption – that of a rational and selfish actor. The type of rationality involved by rational choice theories is that of instrumental rationality, defined as action determined by “expectations as to the behaviour of objects in the environment and of other human beings; these expectations are used as conditions or means for the attainment of the actor's own rationally pursued and calculated ends” Max Weber (1978:24). However, actors' behaviours cannot be reduced to instrumental rationality. Both behaviours determined by conformity to social norms and those determined by axiological rationality, i.e. “by a conscious belief in the value for its own sake of some ethical, aesthetic, religious or other form of behaviour, independently of its prospects of success” (Weber, 1978:24-25) are not reducible to instrumental rationality.

The aim of this essay is not to deny the relevance of approaches in terms of market failure and transaction costs, but to limit their field of relevance. The thesis developed here is that some types of activity exist that do not have an instrumental finality but an axiological finality. These activities have, however, an economic or instrumental component. The implementation of these activities requires institutional forms and governance structures that are adapted to their finality. In the presence of market



failures (public goods, informational asymmetries), for some activities that pursue economic finalities public and nonprofit institutional forms may be more efficient than for-profit forms. But for some other types of activity that pursue non-economic finalities, the market fails not because of the characteristics of the goods under concern but because their rationality is not compatible with that of the market.

As emphasized by Boudon (1999), the concept of axiological rationality shaped by Max Weber entails that in some circumstances, actors act out from non-instrumental considerations and that their actions are based on *principles* and not on the expected *consequences* of their actions. The concept of axiological rationality opens up the possibility to consider that social action, even when it involves economic means, is not uniquely motivated by instrumental considerations and *a fortiori* by utilitarian considerations.

Beside the differences between instrumental and axiological rationality another point made by Max Weber (1978:64) consists in distinguishing between “economic action” and “economically oriented action” which is “primarily oriented to other ends, takes account, in the pursuit of them, of economic considerations”. Economic activities are those aiming at producing and consuming goods and services whereas economically oriented activities aim at other finalities but imply the production and the consumption of goods and services in order to realize those finalities. Economically oriented activities may be seen as activities combining axiological and instrumental rationality.

Combining the two forms of rationality (instrumental and axiological) with the nature of the activities (economic and economically oriented), it is easy to identify a type of activity, economically oriented toward axiological finalities that rational choice theory fails to take account of. Most of the activities carried on by the third sector belong to this category of activity. Third sectors activities within the fields of education, health, social services, art and culture, philanthropy, sport and religion do not have the production and consumption of goods and services as their primary finality. In addition, when they involve instrumental rationality it is often in a subsidiary way in relation to axiological finalities that these activities are motivated

From this viewpoint the existence of third sector institutional forms and activities are not necessarily the result of an efficient institutional arrangement aimed at mitigating market failures and reducing transaction costs. These institutional forms and activities may result from an efficient adaptation between, on the one hand, a structure of governance, and on the other a type of rationality. The nonprofit and limited-profit institutional forms and



their governance structures are efficient or better suited for organizing economically-oriented activities involving the axiological rationality or a combination of axiological and instrumental rationality.

#### **2.2.4 Three analytical perspectives on the civil sphere**

In the previous analysis, I have contended that the concepts of civil society, public sphere and third sector constitute three complementary perspectives on the same phenomenon that can be characterized, in analytical terms, as the civil sphere – a differentiated societal sphere of society where a plurality of conceptions of justice are confronted and concretized. The concepts of civil society, public sphere, and third sector emphasize different complementary dimensions of the civil sphere: value pluralism, associative life and values-norms maintenance (civil society); communicative action and value contention (public sphere); value-oriented economic and social action (third sector).

### **3 Impact domains: from the specificities of third sector organizations to the identification of socio-economic impacts**

Assessing the impact of the third sector, at different levels – individual (micro), organizational, community-level, societal (macro) - entails identifying the potential domains of impact of the third sector. The theoretical strategy adopted in the following analysis consists in identifying the functions fulfilled by the third sector (summing up the insights from the theories of civil society, the public sphere, and third sector organizations) and articulating the social or causal mechanisms linking these functions to their domains of impact and their expected impact.

I have developed elsewhere (Enjolras, 2009) a theoretical understanding of third sector organizations by considering these organizations from the viewpoint of their particular governance structure. Third sector organizations are seen as value-oriented actors and as governance structures reinforcing the norm of (generalized or balanced) reciprocity, making possible the pooling of resources based on the reciprocity principle, and, because of these features, facilitating collective action oriented towards public or mutual interest or towards advocacy. Because the nonprofit governance structure is also compatible with other types of coordination mechanisms, voluntary organizations are able to operate in complex environments, mobilizing resources from market operations, governmental



subsidies, or from reciprocity (volunteering, donations). They are equally able to pursue civic and democratic objectives such as advocacy and interest representation. This ability confers on them a comparative advantage when providing certain goods (trust goods, collective goods, club goods, cultural goods, etc.) in competition with for-profit and governmental organizations. From a governance-structure perspective, their ability to mitigate coordination failures explains why these organizations survive in competition with other institutional forms as a result of selection and reinforcement processes (Elster, 2007:271). However, third sector organizations are exposed to governance failures that might jeopardize their trustworthiness and efficiency. By focusing on the non-distribution constraint – an important, but partial, aspect of most part of third sector organizations – the main theoretical approaches toward the nonprofit and voluntary organizations have neglected important features of this type of organization. The conceptualization stressing value-orientation, the governance structure as well as the role of reciprocal coordination, provides a corrective to these theories while synthesizing them in a unified framework by introducing a plurality of action rationale (instrumental, normative, axiological), of coordination mechanisms and of coordination failures.

In addition to the functions associated to the peculiarities of the economic dimension of third sector organizations, different approaches to civil society have also identified an array of functions fulfilled by civil society. For Hegel, civil society is the moment of plurality and diversity (division) in the process of ethical unification under the state. Kant's division of reason into pure (knowledge), practical (ethic) and aesthetic (art) reason entails the loss of unity (alienation) of the modern subject. The state, as universal objective spirit, unifies consciousness in the objective world as absolute spirit (self-consciousness knowing itself) does in the subjective one. For Tocqueville (Offe, 2005), civil society is a countervailing force to the freedom-destroying and tyrannical potential of "equality" i.e. a society based on market relations and competitive individualism. For Habermas (Cohen & Arato, 1995), in continuity with Hegel, civil society, (including the public sphere and the life world) is a realm of communicative action, which, in a rationalized society, constitutes an alternative and an antidote to instrumental rationalization.

Additionally, civil society produces benefits to democracy as two main functions fulfilled by civil society -being a space of associational life, and sustaining the values and norms of democratic life ((Eliot, 2003)- impact on democratic life. From the perspective of norms and values maintenance, civil society is the source of the virtues that sustain democratic interactions (trust, tolerance, cooperation and equality), (Shils, 1991).



The benefits of associational life have been emphasized from a variety of contributors. Robert Putnam, for example, has argued that associations create social capital. For Putnam the patterns of trust developed within associations provide the basis for «generalized trust» that constitutes the basis for civic engagement. For Michael Walzer (2003), the main virtue of civil society is allowing locally a pluralist competition between voluntary groups and their differing conceptions of the good life. Nancy Rosenblum (2003) has emphasized the value of a plurality of available associations with permeable boundaries and argued that belonging associations (even the most non-democratic organizations) may serve moral purposes for individuals.

Third sector organizations may be seen as fulfilling four **functions**: economic, social, political, and communicative. For each of these functions it is also possible to differentiate the “mainstream” contribution of these organizations - i.e. what third sector organizations have in common with governmental and for-profit organizations – from their specific contribution – i.e. the functional features which are exclusive to these organizations. From the **economic** viewpoint, third sector organizations provide both goods and services, but also organize expressive activities in the domains of sport, culture, arts, etc. They mobilize voluntary resources – voluntary work and donations – that are more difficult to mobilize, if not impossible, for other organizational forms. Their organizational form is also instrumental for mitigating coordination failures (market and government failure) and enhances, in given circumstances and for given activities, their comparative efficiency. Additionally, they are most often oriented toward other ends than economic ends, even if in the pursuit of these ends they develop economic activities. From the **political and communicative** perspectives third sector organizations have the potential to constitute a counter-power to the state and economic powers, to act as schools of democracy and constitute also communicative space where value contention is made possible. Being a space of associational life, third sector organizations have the capacity to promote and sustain norms and values of public interests and practices of civic engagement. They also have the potential to organize different types of identity and interests and to play a mediating and a representative role in interacting with other societal spheres such as the state, the market or the family, influencing policies and attitudes. Being a communicative space, they have the capacity to enable debates, confrontations and contentions among individuals and organized actors animated by different values, interests and identities. By the play of these political and communicative functions they contribute to the democratic infrastructure and may instigate social, axiological and political transformations impacting in other societal spheres. From the **social** point of view third sector organizations constitute a space of value pluralism and



freedom and contribute to the maintenance of norms and values. From this viewpoint the third sector is fundamental for enhancing and protecting the diversity of particular values, cultural practices and citizens’ initiatives in all domains of social life. Third sector organizations are also instrumental to the maintenance of norms and value that are more universal, such as those of solidarity, inclusion, trust, and public interest. For this reason they potentially have the capacity to contribute to the social integration of individuals and groups and to foster solidarity across differences.

From the different functions of the actors and organizations of the civil sphere (seen from the civil society, public sphere, and third sector perspectives), it is possible to infer a set of expected impacts at the individual, organizational, community and societal levels. The civil society perspective allowed to identifying a function linked to the associational life (counter-power to the state and the economy, and school of democracy) and a norms and value maintenance function of the civil sphere fostering social integration and solidarity. The public sphere perspective has emphasized the communicative and value contention function of the civil sphere. The third sector perspective underscores the service provision (of collective and informational goods) as well as the voluntary dimension of the civil sphere. Some of these impacts are specific (idiosyncratic) to the third sector actors and organizations whereas other impacts – such as the impact of service production and economic activities- are common to other types of societal spheres and actors (public and for-profit providers of welfare services). The realization of these impacts may in turn encounter a variety of barriers at both the levels of the organization and its environment.

Levels	Functions of third sector organizations and actors	Social mechanisms (link function-impact)	Domains of impact	Expected Impacts
<b>Societal (macro) level</b>  <b>Community level</b>  <b>Organizational level</b>	<b>Economic</b> <ul style="list-style-type: none"> <li>• Service provision</li> <li>• organization of expressive activities</li> <li>• volunteering</li> <li>• Non-economic ends</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigation coordination failures</li> <li>• Voluntary inputs (work and donations)</li> <li>• Economic production</li> <li>• Vocational training</li> </ul>	<ul style="list-style-type: none"> <li>• Economy</li> <li>• Welfare and well-being</li> <li>• Human capital, human resources</li> </ul>	<ul style="list-style-type: none"> <li>• Increased human development and welfare</li> <li>• Well-being and health</li> <li>• Quality of life</li> <li>• Capabilities</li> <li>• Employment</li> <li>• Contribution to GDP</li> </ul>
<b>Individual (micro) level</b>	<b>Political/Communicative</b> <ul style="list-style-type: none"> <li>• Counter-power to the</li> </ul>	<ul style="list-style-type: none"> <li>• Civiness</li> <li>• Interest representation/ policy networks</li> </ul>	<ul style="list-style-type: none"> <li>• Civic engagement</li> <li>• Empowerment</li> <li>• Advocacy</li> </ul>	<ul style="list-style-type: none"> <li>• Policy making and policy changes</li> <li>• Civic and</li> </ul>



	<ul style="list-style-type: none"> <li>state and economic powers</li> <li>School of democracy</li> <li>Communicative space and value contention</li> </ul>	<ul style="list-style-type: none"> <li>Inputs to political, economic, religious and family spheres</li> </ul>	<ul style="list-style-type: none"> <li>Public discourses</li> <li>Social movements</li> </ul>	<ul style="list-style-type: none"> <li>political participation</li> <li>Social and political mobilization</li> <li>Social-political change</li> </ul>
	<ul style="list-style-type: none"> <li><b>Social</b></li> <li>Norms and values maintenance:</li> </ul>	<ul style="list-style-type: none"> <li>Social integration</li> <li>Solidarity</li> </ul>	<ul style="list-style-type: none"> <li>Social capital</li> <li>Community building</li> </ul>	<ul style="list-style-type: none"> <li>Social cohesion</li> <li>Trust</li> </ul>
	<ul style="list-style-type: none"> <li><b>Social</b></li> <li>Space of value pluralism and freedom</li> </ul>	<ul style="list-style-type: none"> <li>Social entrepreneurship</li> <li>Associations</li> </ul>	<ul style="list-style-type: none"> <li>Social innovation</li> </ul>	<ul style="list-style-type: none"> <li>Increased social innovation</li> <li>Social transformation</li> </ul>

The functions identified by the analysis - value pluralism, associative life, values-norms maintenance communicative action and value contention, and value-oriented economic and social action – usher, by the play of variegated causal mechanisms, in five domains of impact: well-being and quality of life; innovation; civic engagement, empowerment, advocacy and community building, economic impacts; and human resources impacts.

### 3.1 Socio-economic impact domains

#### 3.1.1 Well-being and quality of life

In the first place, third sector organizations have long been associated with the provision of human services that contribute to well being and the quality of life. In fact, this role of the sector is a principal focus of what has long been the dominant economic theory of the third sector, which views the existence of this sector as resulting from a demand for services that neither the market nor government can provide due to inherent failures of these alternative institutions—i.e., the “free rider” problem in the case of markets and the need for majority support in the case of governments (Hansmann, 1980; Weisbrod, 1977). This kind of impact has received new attention, however, as a consequence of the recent Stiglitz report commissioned by French President Sarkozy (Stiglitz, et al., 2009). This report emphasized the need to “shift emphasis from measuring economic production to measuring people’s well-being,” and called attention particularly to the role that third





sector institutions play as providers of collective and individual services such as security, health, education, culture and recreation as well as civic engagement and social capital. But well being involves more than concrete services. It also includes subjective factors, such as feelings of security, sense of well-being, confidence, and a sense of belonging (Cummins, 2000), all of which have also been associated with third sector organizations. Impact assessment related to well being and life-quality must therefore be concerned with both of these dimensions.

### **3.1.2 Innovation**

While the economic theories assign a primary role to the state and the market and view the third sector as merely a supplement to these other two sectors, filling in services that the other two sectors fail to supply, a second body of literature views the nonprofit sector as a source of social innovation, pioneering innovations that government and the market subsequently copy or support. This view has been conceptually articulated most fully in Salamon's notion of "voluntary failure," the view that because of the transaction costs involved in mobilizing governments to act and the free rider problems that keep market actors from responding to many social and economic problems, it is third sector organizations that frequently come forward to identify unattended problems and devise innovative solutions to them (Salamon, 1987, 1996). Social economy literature has also stressed this role of third sector entities, in their case mutuals, cooperatives, and social enterprises, as significant sources of social innovation and social change, contributing to labour market integration, fighting social exclusion and poverty, creating social capital, and developing new services and ways to address unmet social need (Chaves & Monzón, 2012; J. Defourny & Develtere, 1999; Julià & Chaves, 2012; Nicholls, 2004). Third sector organizations are spaces of freedom and unforced activities, where volunteers and professionals in partnership with other stakeholders, are in position to respond creatively to new challenges, to develop new forms of organisation and interactions, and respond to social demands that are traditionally not addressed by the market or existing institutions. Indeed, TSOs are in a position to generate both types of social innovations that Greffe (2003) identifies—*macro-social innovations* such as new forms of social organization or networked approaches to addressing public problems, as well as *micro-social innovations* such as new services that the market does not supply, as well as attention to economic or social values that market production fails to value (such as social integration, well-being, sustainable development.).

### **3.1.3 Civic engagement, empowerment, advocacy, community building**



A third perspective on the role and impact of the third sector emphasizes the role that third-sector organizations play as arenas for civic and political participation and as schools for democracy (Almond & Verba, 1963; Tocqueville, 2000 [1835]). Closely related to this line of thinking is the emphasis recently placed on the third sector as a major contributor to social capital, to those bonds of trust and reciprocity without which neither democracy nor markets can operate (Putnam, 1993, 2000). Howard & Gilbert (2008), for example, find empirical support for the Tocquevillian argument according to which those persons with greater levels of involvement in voluntary organizations also engage in more political acts, have higher life satisfaction and are more trusting of others than those who do not. Third sector organizations also play a central political role by channelling, articulating and advocating individuals' and groups' interests and values (Habermas, 1998) and by participating in policy networks (Rhodes, 1997) or advocacy coalitions (Sabatier, 1998).

### **3.1.4 Economic impacts**

A fourth line of thinking about third sector organizations goes beyond their social and political impacts to emphasize that third sector organizations are often important economic actors in their own right. This point has long been a central assertion of students of cooperatives and mutuals (Chaves & Monzón, 2012; Monzón & Chaves, 2008a). But it was also a central focus and conclusion of the Johns Hopkins Comparative Nonprofit Sector Project, which focused on a component of the third sector—the nonprofit associations—that is not often identified as having a significant economic footprint and demonstrated that in fact this set of institutions engages the largest, or second largest, workforce of any other industry in a number of European countries, especially when the full-time-equivalent work of volunteers is included (Salamon, 2010; Salamon et al., 1999; Salamon, et al., 2004). The economic impacts of the third sector potentially go well beyond these direct outputs, however. Numerous scholars have noted the contribution that a vital third sector can make to work integration of disadvantaged workers (Davister, Defourny, & Grégoire), to urban regeneration (Jacobs, 1961), and to local development in general (OECD, 2007). In addition, the trust that third sector organizations help to foster can help stimulate broader economic development, creating a climate within which private businesses can prosper (Putnam, 2000; A. Smith, 1759).

### **3.1.5 Human resource impacts**

A final important perspective on the impacts of the third sector relate to the impacts these organizations have not on the society at large but on those who work in third sector organizations. Students of volunteering have emphasized this set of impacts most explicitly, but it applies as well to paid personnel. Thus, for example, Rochester *et al.*



(2010) emphasize the benefits accruing to volunteers in terms of increased satisfaction, personal achievement, social networks and relations, skills, personal development, enhanced employability, improved mental and physical health and well-being. Similarly, Wilson (2000) identifies four areas where research has pointed to positive consequences of volunteer work for the volunteer: citizenship (volunteers are more politically active and trusting than non-volunteers), antisocial behaviour (being a volunteer keeps young people out of trouble), health and well-being (volunteers enjoy better health in old age, have better self-esteem and self-confidence, and higher levels of life satisfaction), and socioeconomic achievement. Additionally, third sector organizations offer a space for work integration for individuals excluded from the labour market and provide job experience to young people, to individuals with disability, and to the long-term unemployed. Different works have also emphasized the positive impacts accruing to paid staff in third sector organizations, including higher job satisfaction because of the higher “pro-social” motivations (Benz, 2005; Borzaga & Tortia, 2006; Rose-Ackerman, 1996) or greater fairness (Leete, 2000; Tortia, 2008).

## 4 Conclusion

In this essay I have argue for taking stock of the process of modernization characterizing advanced democratic societies, entailing among other things a process of societal differential. One consequence of this of this state of affairs, is the need to recognize, following Walzer (1991), Boltanski and Thevenot (2006), and Alexander (2006), at least at the analytical level, the autonomy of the “civil sphere” but also its interactions and boundaries relations with the other social spheres of the economy and market, the political system and the state, the family and the religion. Such an approach has the advantage of dispensing us with the discourse of “boundary blurring” and “hybridity” which has plagued third sector scholarship in the past decade. Indeed value-orientation is the hallmark of the third sector, even when its action is oriented towards the economy – differentiating in the wake of Max Weber economic action from economic-oriented action – or towards the political system and the state.

I have also argued for considering the meanings and references of the concepts of civil society, public sphere, and third sector as different analytical perspective on the same object of analysis – the civil sphere at the analytical level and its manifestations at the empirical level. Such an approach presents the advantage of allowing us to synthetize the different disciplinary contributions – from political theory, social theory, political sciences, sociology and economics – as well as to identifying the dimensions and functions of the



third sector. Such a conceptualization, being both ontological and epistemological, allows us, in turn, to identify the political, economic, and social domains of expected impacts of the third sector. This theoretical exercise reveals the theoretical soundness and coherence of our conception of the third sector. It is also completely consistent with the operational definition contributed by Salamon, & Sokolowski (2014).

Theoretical consistency is, however, not sufficient in order to assessing the socio-economic impact of the third sector. Methodological challenges and difficulties have also to be overcome. Among the most serious are the identification and the measurement problems. My hope is that this essay has, if not solved all of them, contributed to clarifying the conceptual and methodological challenges associated with the assessment of the third sector impact.



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