IMPACT

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Third sector impacts on human resources and community: a critical review

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1 Introduction

The question what impact does third sector generate is an increasingly important theme of academic, policy making and practitioners’ debates. This trend is fuelled by a move towards evidence-based policy making, professionalization of the third sector, market orientated thinking, a push for a better understanding of resource allocation and the need to demonstrate impact in order to obtain public funding (Harlock, 2013).

This working paper is an interdisciplinary review that systematises the empirical evidence in regards of the impacts of the third sector on human resources and community. This review is part of the project ‘The contribution of the Third Sector to Europe’s Socio-economic development’ ‘Impact’ working package that aims to assess the impact of the third sector beyond mere economic data.

The main research question addressed in this paper is, ‘What are the third sector impacts for individuals (human resources) and community?’ Within the themes of impact on human resources and community, this paper focuses on the key impact areas that have achieved the greatest prevalence and/or conceptual elaboration and empirical analysis: need satisfaction, pursuit of interest jointly with others, employability, well-being and health, third sector pay and non-monetary rewards, civic engagement and democracy, community building through social integration and trust, crime reduction and public health.

At the beginning this paper defines the key terms – third sector and impact- and delimitates the scope for this review. Then it introduces a theoretical underpinning for the review and proceeds by discussing existing empirical evidence for each impact area. Finally, the state of knowledge is discussed and datasets potentially useful for further studies are briefly described.

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1 Other impacts, for example impacts on economy and innovation, have been reviewed by other project partners. References to these reviews will be added here when they will become available.
2 Key Terms and Scope

2.1. Third Sector

The definitions of third sector used in this paper are broadly based on the definitions developed in the “Concept” package of the project and distinguishes between two components of the sector: institutional units and individual human actions. The process of arriving to these definitions and their theoretical basis are described in detail in Salamon and Sokolowski (2014).

2.1.1 Institutional component

Institutional components of the third sector come in different forms - associations, non-profit organisations, social enterprises, mutuals, cooperatives or any other institutions that are: 1) formal or informal organisations; 2) private (separate from government), 3) self-governing; 4) non-compulsory; 5) totally or significantly limited from distributing any surplus or profit (Salamon and Sokolowski, 2014, p.23). This paper uses terms ‘third sector organisations’ to refer to the institutional component of the third sector in general, unless a particular type of an organisation (e.g. voluntary association) is under consideration.

2.1.2 Individual Component

The individual component of the third sector are individual human activities within the sector (Salamon and Sokolowski, 2014). A distinction is made between the formal individual activities as a paid employee in a third sector organisation and any other informal unpaid activities conducted within the third sector.

In this paper individuals are considered to be working in the third sector if they are employed in organisations that meet the five criteria for the institutional component of the sector described above.

In regards to informal activities this paper adopts the definition of informal activities in the third sector proposed by Salamon and Sokolowski (2014) and based on the ILO Manual on the Measurement of Volunteer Work (International Labour Office, 2014). According to these two sources, individuals activities considered to be in the scope of third sector should display following characteristics: they are not casual or episodic (e.g. helping an elderly person across the street on one occasion); they are unpaid; the people benefiting from this activity are not one’s household or relatives (e.g. children); the activity is non-compulsory, in other words, is performed from a free will and can be ceased at any time if the person wishes to do so.
Unlike this definition this paper broadens the definition of informal activities in the third sector by not limiting third sector activities only to activities that produce benefits for others and not just, or chiefly for the person performing them. The reason for this is that including this criterion would exclude from the scope third sector activities groups and organisations that are mostly for the benefit of participants, such as sports clubs, hobby, and interest and self-help groups. All these groups embody individual freedom of association – an essential part of democracy (Gutmann, 1998) - which is exercised in the arena of third sector.

In line with the definition used in this paper individual activities within the scope of the third sector include: 1) non-compulsory unpaid efforts through organisations of any kind – private or public, for example, voluntary work in a charity shop; 2) unpaid work that benefits general public but it not conducted through an organisation and does not benefit one’s own family members (e.g. organising public events, promoting health, education or community improvements) ; 3) participation in social movements or advocacy activities and 4) unpaid pro-bono work undertaken in a professional capacity, for example, legal advice, counselling, providing a charity with accountancy services). It is also important to emphasise that the definition of individuals third sector activities proposed by Salamon and Skolowski (2014) excludes any activities performed by a person under age of 15, mandatory activities, such as public service required to complete compulsory education, and criminal activities. Therefore such activities are out of the scope of this paper.

Individuals who engage in activities meeting these criteria will be referred in this paper to as ‘volunteers’ but activities to as ‘volunteering’, ‘voluntary work’ or ‘involvement in voluntary organisations’.

2.2. Impact

As Simsa et al. (2014) have pointed out there is no consensus in defining an impact. This paper uses the program logic model developed by the Kellogg Foundation and widely used by managers and evaluators to assess the effectiveness of different third sector organisation programmes (Kellogg Foundation (2001) cited in Sokolowski, 2014, p.3). This model includes three concepts that describe the consequences of third sector activity: ‘outputs’, ‘outcomes’ and ‘impacts’. Outputs refer to the quantity of goods or services produced by the program or activity; outcomes identify the relatively short-term (one year or less) impacts (or changes) that have happened or are expected to happen to an individual as the result of the activity. Impacts refer to direct and indirect long-term consequences of this activity to individuals or the community (Sokolowski,
This approach to defining impact is also broadly in line with the definition of impact by Clark et al. (2004) adopted by Simsа et al. (2014) in their methodological guidelines for assessing the impact of this sector: ‘By impact we mean the portion of the total outcome that happened as a result of the activity of the venture, above and beyond what would have happened anyway’ (Clark et al., 2004, cited in Simsа et al., 2014, p.8).

The focus of this paper is on the outcomes and impacts; outputs are out of the scope of this paper. For pragmatic reasons I use term ‘impact’ to refer to both outcomes and impacts in this paper.

### 2.3 Scope

The focus of this paper is on the impacts on two impact domains: human resources, i.e. volunteers and paid staff, and community (defined broadly and including anything between local neighbourhood to society in general). Other impact domains are covered by other project partners. Impacts on other stakeholders, identified by the Institute for Volunteering Research, such as other organisations and service users, are beyond the scope of this paper (IVR, 2004).

### 3 Theoretical Framework: Individual, Community, Manifest and Latent Impacts

Social sciences have accumulated a relatively large body of conceptual ideas and empirical evidence on the impacts of third sector. Several authors have provided accounts of the single (e.g. Anheier and Kendall, 2002 on voluntary associations and trust, De Silva et al., 2005 on mental health, Whitley and McKenzie, 2005 on mental health, Kawachi and Berkman, 2000 on health, Jenkinson et al., 2013 on health) or multiple impacts of third sector organisations and activity (e.g. Anheier, 2001, Fung, 2003, Smith and Freedman, 1972, Putnam, 2000, Wilson, 2012). This paper is an attempt to systematise and to re-examine the hypothesis about the impacts of the third sector on community and individuals against the empirical evidence in two impact domains: human resources and community.

This paper takes an interdisciplinary approach. Currently, the literature on the third sector impacts is scattered across several disciplines. Social epidemiologists and public health specialists have concentrated on the effects of third sector involvement on
individuals’ health and longevity. Psychologists have focused on individuals’ well-being. Sociologists and political scientists have discussed the effects of third sector on democracy, social trust, and crime rates in society and political economists have focused on the role of associations in providing services. Focusing here only on a selected discipline, like some previous papers have done, would provide an incomplete portrayal of the impacts of third sector. Therefore, this literature review attempts to bring together the ideas and evidence from several fields.

To order this large body of ideas and evidence, this paper adopts a functionalist approach to social institutions and activities and distinguishes between the manifest (intended) and latent (unintended) impacts of third sector for human resources (individuals) and community 2 (see Figure 1 on page 7).

The functions (and consequently impacts) of third sector could be classified according to two criteria: 1) the level of impact or main beneficiary and 2) the type of impact. Firstly, the main beneficiary could be either individuals (human resources) who are involved in the third sector, or community (broadly defined to include all levels of community - from a neighbourhood up to society in general). It is important to emphasise that the classification is based on the main beneficiary rather than the only beneficiary. For example, while it is a democratic society which benefits from having citizens who have obtained civic skills for political participation through third sector organisations, individuals themselves may also benefit from having these skills, for example, when looking for a new job. Also, although a third sector organisation may be intended to benefit community, individuals may join it with the intention of gaining benefits themselves, for example to avoid loneliness, make new friends or gain a new experience.

Secondly, the distinction is made between manifest functions, ‘which are intended and recognized by the participants’ and latent functions, ‘which are neither intended nor recognized by the participants, but can be observed by social scientists’ (Sills, 1968, p.372)

This paper has a following structure. Firstly, it will identify the consequences of voluntary participation for individuals involved in third sector organisations. It will distinguish between the individual impacts of informal involvement in third sector organisations and paid work in them. It will distinguish between intended and manifest (promotion of individuals’ interests and satisfaction of their needs, employability and

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2 The distinction between the individual and community, and the manifest (intended) and latent (unintended) impacts of voluntary associations has its roots in the classification of functions of voluntary associations proposed by Sills (1968) – a basis for many other classifications developed later.
income from paid work) and latent (unintended) individual consequences of voluntarism (effects on individuals’ physical and mental well-being). Secondly, it will review the literature on the community impacts of voluntary associations, with enhancing democracy as the intended benefit and community building through social integration, and social trust, reducing crime, and improving public health as ‘public externalities’ or unintended/latent impacts.
Figure 1. Third sector impact areas.

Individual level (Human resource) impacts

- Involvement in voluntary associations (volunteering, membership etc)
  - Intended/manifest
    - Need satisfaction / pursuit of interests
    - Psychological wellbeing, mental and physical health
    - Enhanced employability
  - Unintended/latent
    - Financial (income)

- Employment in voluntary associations
  - Intended/manifest
    - Psychological wellbeing, mental and physical health
  - Unintended/latent

Community level

- Intended/manifest
  - Community building: social integration & social trust
  - Democratic processes
- Unintended/latent
  - Crime levels
  - Population health
4. Impact Areas: Evidence Review

4.1. Human Resources Impacts

4.1.1. Impacts of individual activities in third sector

Need satisfaction and interest pursuit jointly with others

The manifest benefit of third sector is that it provides an opportunity to individuals to jointly pursue goals that are difficult, impossible, or less efficient to attain in isolation or through other social institutions (Sills, 1968, Babchuk and Edwards, 1965, Gutmann, 1998).

Third sector can provide opportunities for satisfaction of a wide variety of needs and interests. Even in the most developed democratic societies, states cannot accommodate the interests of everyone due to the immense diversity in individuals’ needs. Therefore, as more than hundred years ago Henderson (1895) has pointed out, states can satisfy only some ‘universal’ needs and interests; the more specific needs of individuals and groups, which, in line with Henderson’s prediction, are becoming more and more diverse, must increasingly be satisfied by voluntary associations.

Some voluntary associations, labelled by Babchuk, Gordon, and Edwards (1959, , 1965) as ‘expressive groups’ or by Smith (1993) ‘member benefit groups’, are predominantly organised to express or satisfy the needs and interests of their members. Examples of such associations are self-help groups for individuals with different mental and physical health problems or other specific life issues, hobby clubs, Scout groups, and sports clubs. They provide individuals with opportunities to receive social and psychological support, to engage in self-expressive activities, and to exchange ideas and experiences ‘within a limited field of interest’ (Tomeh, 1973, p.90) when the state or private sector is not willing or not capable of providing opportunities for that.

Other voluntary associations may cater not only to the interests and needs of those involved in them but also of those who are not involved. Some voluntary associations and
other third sector organisations, while providing their members with an opportunity to express values related to altruistic and humanitarian concern for others (Clary et al., 1998), are beneficial for individuals not directly involved in them. For example, individuals with AIDS benefit from the help of volunteers organised by third sector organisations, even if they themselves are not involved in these associations. Some voluntary groups can combine individual interests with community interests (e.g., Rotary Clubs) (Tomeh, 1973).

The most important feature and contribution of voluntary associations is that these needs are satisfied by joining forces with others and promoting a change in society that leads to a better need or interest satisfaction for a particular group. According to de Tocqueville (1946 [1835]), voluntary associations provide an opportunity for individuals who are not powerful enough on their own to unite their resources and efforts in order to achieve common goals together. The possibility for an ordinary citizen to achieve something by uniting forces with other individuals through voluntary associations, in de Tocqueville’s opinion, reflects favourably on democratic societies, as compared to autocratic and aristocratic societies. De Tocqueville argued that in democratic society potentially every individual can achieve goals through voluntary associations. In comparison, in aristocratic and autocratic societies only powerful and resourceful individuals can force others to achieve their goals; other individuals have no chance of pursuing their interests.

Despite the key role of voluntary associations in providing individuals with opportunities to satisfy their needs and pursue their interests jointly with others, there seems to be little research on how effective associations are in doing it. An exception is Helping Out - a national survey of volunteering and charitable giving in the UK. It found that for nearly all volunteers (98%) enjoyment was an important benefit of volunteering and 93% experienced personal achievement, 86% benefited from meeting new people, but only 7% got bored or lost interest in involvement (Low et al., 2007, p.55).

However, a large body of empirical evidence on class, race and gender inequalities in the levels of involvement in voluntary organisations (e.g. Einolf, 2011, Themudo, 2009, Teasdale et al., 2011, Li et al., 2003), points out to the fact that the opportunity for every individual in a democratic country to achieve his or her aims by joining forces together with others is not equally distributed. Consequently the impacts of involvement in voluntary sector on individuals’ need and interest satisfaction can vary between different groups in society.

*Enhanced employability*
In countries such as the United Kingdom, Canada and the United States it is now widely believed that volunteering can increase one’s chances of obtaining a job or a better job and many individuals engage in volunteering for employability purposes (Chum et al., 2015, Kamerāde and Ellis Paine, 2014).

Volunteers themselves believe that volunteering during periods of unemployment does enhance their employability skills and attitudes. Studies found that individuals’ employability is improved mostly through informal learning while volunteering, but some volunteers also attain formal qualifications and certificates (Baines and Hardill, 2008, Nichols and Ralston, 2011). In cross-sectional surveys and interviews unemployed volunteers have reported that through volunteering they have gained a range of hard skills (for example, IT, language, business management, food hygiene, first aid, media and customer relations skills). They also reported improvements in soft skills - for example, communication, teamwork skills, routines and time keeping, discipline (Ockenden and Hill, 2009, Corden and Sainsbury, 2005, Hirst, 2001, Nichols and Ralston, 2011, Newton et al., 2011). Volunteers also report that volunteering helps them to increase levels of commitment, confidence, motivation, discipline and self-esteem (Ockenden and Hill, 2009, Gay, 1998, Hirst, 2001, Newton et al., 2011, Nichols and Ralston, 2011, Corden and Sainsbury, 2005), which improves their psychological readiness for paid work.

However, a few longitudinal studies, conducted in the UK and Germany, have found that in general, volunteering has a weak positive relationship (Ellis Paine et al., 2013), negative (Hirst, 2001, Hirst, 2002) or no relationships (Trickey et al., 1998, Kanas et al., 2011) with the prospects of the majority of unemployed (or economically inactive) people in finding a new job. Moreover, Elam and Thomas (1997) have found that many people consider volunteering as a form of job search; a way of acquiring or updating the necessary skills for work, of gaining experience useful in job applications for certain sectors of the labour market or simply is becoming ‘ready for a job’. As a result they make fewer and more specifically targeted job applications and therefore might spend longer unemployed.

The effects of volunteering on employability also vary considerably by age, gender, health status and frequency of volunteering (Ellis Paine et al., 2013, Strauß, 2009, Strauß, 2008). Holdsworth and Quinn (2010, p.113), for example, argue that ‘benefits of student volunteering are assumed rather than proven’. Some studies in Canada, France and the USA (Day and Devlin, 1998, Prouteau and Wolff, 2006, Wilson and Musick, 1999) suggest that volunteering is related to a wage premium, higher income and higher occupation
status for the employed individuals. Although volunteering does not lead to higher chances of employment or higher income among immigrants and refugees in Germany, is has a significant - albeit, weak - positive relationship to occupational status (Kanas et al., 2012, Kanas et al., 2011).

Other studies indicate that the perception that volunteering brings positive gains for employability skills and attitudes from volunteering is not shared by all volunteers. It has been argued that volunteering during unemployment does not cater for the employability needs of, for example, unemployed professionals, people with special needs and people on incapacity benefits. Most volunteering opportunities do not provide them with skills that they can transfer to paid work (Vegeris et al., 2010, Lee, 2010). Loumidis et al. (2001) studying people on incapacity benefits found that volunteers stayed on benefits longer than non-volunteers. Baines et al.(2008) found a similar replacement effect among people who were excluded from the labour market (for example, because of family caring responsibilities or disability). For those people, volunteering provided them with a work-related identity and direction and acted, as one of the participants expressed it, ‘as an alternative to having a job’ (p.313).

Despite the policy attention and some evidence from qualitative studies or cross-sectional surveys, for now there is not enough reliable and consistent evidence as to whether volunteering does improve employability, employment prospects and outcomes and if so, how effective it is (Kameråde and Ellis Paine, 2014, Kameråde, 2013). To our knowledge there are no robustly designed studies, such as randomised controlled trials or carefully designed cohort studies that would help to establish a reliable causal link between volunteering and employability. Existing studies have used designs that they tend to suffer from unobserved heterogeneity problems – they do not control sufficiently enough for factors, such as, for example, personal predispositions, socio-economic characteristics, that affect both volunteering and chances of securing a paid work. The difficulty with cross-sectional and poorly designed longitudinal studies of volunteering and re-employment is that both volunteers and people who have higher chances of regaining employment share many similar individual characteristics. For example, they are likely to have better educational qualifications, higher occupational status, better technical and social skills, be better socially connected and be physically and mentally healthier than people who are either not volunteering or who are likely to remain unemployed for longer periods of time (Wilson, 2000, Wilson, 2012). Therefore it is highly likely that many of the unemployed volunteers who did secure a paid job might have secured it even without the help of volunteering.
To reliably establish the impact of volunteering on human resources, in terms of employability and employment outcomes, research has to move away from self-reports and cross-sectional and panel surveys towards randomised controlled trials (field experiments) or well designed cohort studies. In experimental studies the registered unemployed who have already expressed a wish to volunteer, could randomly be assigned to volunteering (experimental) or non-volunteering (control) groups, and their employability and employment outcomes compared. Such trials would help to establish whether volunteering during unemployment does significantly increase one’s chances of finding a job among a particular group of the unemployed, when controlling for an individual’s previous volunteering and unemployment history, (un)observed individual differences and a range of contextual factors, and what is the size of the effect.

Perhaps one of the most crucial questions that still need to be answered relates to the effect that volunteering has on employers’ recruitment decisions. To what extent do employers actually take into account individuals’ volunteering experience and skills gained through volunteering when making selection decisions? How valuable and in demand are the skills that volunteering does provide in the labour market? Currently there is no published empirical evidence that would answer these questions. Remarkably, the voice of representatives from the ‘demand’ side (for example, managers making recruitment decisions) is absent from the studies and policy debates on volunteering. One exception is an ongoing study by Reilly (2011) which will examine third sector employers’ attitudes to volunteering and how important volunteering is in their recruitment, promotion and retention practice. Another is a study by Wilkins and Connelly (2012) which suggests that North American recruiters give preference to candidates who have both paid and voluntary work experience over those who have only one of those two types of experiences. Similarly, while 87% of employers in Britain agree that volunteering is ‘a valuable activity that could have a positive effect on career progression’, this is not borne out in recruitment practices – only 30% of them agreed that volunteering is relevant if linked to the field in which their organisation operates (VInformed, 2008).

**Psychological well-being, health, and longevity**

Individuals who are involved in third sector organisation have better well-being, better mental and physical health, and live longer. This hypothesis has recently attracted the attention of scholars and policy makers in many countries. The primary aim of some third
sector organisations, such as self-help and support groups, sports clubs and customer pressure groups promoting better health care is indeed to promote their members’ well-being and health. However, even those associations that have other purposes are believed to have beneficial effects on the well-being and health of their participants. As many voluntary associations are not primarily designed for the improvement of their members’ psychological well-being and health, and most of their members are probably not aware of or particularly concerned with the health consequences of participation, this is classified as a latent or unintended benefit.

Numerous studies, mostly based on qualitative and survey data, have found that volunteering maybe beneficial for volunteers’ mental and physical health and longevity: it reduces depression, increases life satisfaction, and wellbeing and improves physical health (see reviews by Wilson, 2012, Harpham et al., 2002, McKenzie, 2006, Jenkinson et al., 2013, Kawachi and Berkman, 2000, Wilson, 2000, De Silva et al., 2005).

However a thorough systematic review (Jenkinson et al., 2013) concludes that the very few robust studies (i.e. randomised controlled trials) that exist do not confirm many of these findings. Jenkinson et al suggest that the positive effects of volunteering on wellbeing might be either due to the selection bias, the specific group studied, or due to particular type, frequency of volunteering not included in the limited number of randomised trials. As the result Jenkinson et al. argue that currently there is not enough robust research to underpin volunteering as a public health promotion intervention and therefore more studies that use randomised controlled trials are needed. In other words, current evidence is not strong enough to say that volunteering in general does improve wellbeing, mental and physical health. Volunteering might be beneficial for some people but we still do not know whether these positive effects are a rule or an exception.

Taking into account Jenkinson et al. (2013) findings, we present here empirical evidence on wellbeing and health impacts of volunteering with a warning that most of the presented links still need to be tested in randomised controlled trials and therefore might be prone to unobserved heterogeneity problem. A more detailed review of third sector effects on wellbeing and health will be available in another working paper prepared by our project partners.

Volunteering and psychological well-being
There is evidence that individuals who are involved in voluntary associations, and those who volunteer in particular, report a higher sense of purpose in life, are happier, report
higher self-esteem, and experience higher life satisfaction and more positive emotions than individuals who are not involved in associations. Some effects of voluntary associations on psychological well-being are more pronounced in older rather than younger individuals.

Firstly, volunteering for voluntary associations might protect older single, unemployed, and childless adults (i.e., the elderly with fewer role identities) from decreased levels of purpose in life. Greenfield and Marks (2004), employing a national probability sample of 375 adults aged 65 to 74 from the cross-sectional National Survey of Midlife Development in the USA, have found that while among non-volunteers, not having other role identities was related to lower levels of purpose in life, this was not the case among volunteers. However, volunteering or not volunteering did not have any relationship with the levels of purpose of life among those elderly people who had a partner, children, or a job.

According to Greenfield and Marks’ findings, volunteering also provides older volunteers with positive emotions but does not have a relationship with negative emotions. Among 65- to 74-year-old adults, those who had reported volunteering in the last 30 days were around 2.4 times more likely to report experiencing more positive affects (emotions) than those who had not volunteered. But there was no significant relationship between volunteering and negative emotions. Volunteering is also related to higher self-esteem; however, only among older volunteers, not younger. Omoto et al. (2000), studying a non-random sample of 144 volunteers in the USA, have observed that after six months of volunteering, older volunteers (ranging in age from 55 to 76) experienced a slight increase in self-esteem (measured with Rosenberg’s 10-item scale) but younger volunteers (aged 19 to 39) experienced a slight decrease. Similarly, Harlow and Cantor (1996) have also discovered that volunteering is related to higher self-esteem and higher self-confidence for older individuals.

These differences in the effect between age groups could be explained by the differences in motivation for volunteering. In the same study, Omoto and his colleagues also found that older volunteers volunteer because they are motivated by feelings of obligation to community and because they want to help others. In contrast, younger volunteers volunteer because they want to engage in interpersonal relationships. It could be that volunteering, related to helping others, fulfills older individuals’ expectations and therefore is a source of self-esteem, providing the sense that they are doing something useful. For younger adults, volunteering may not meet their expectations in terms of facilitating new friendships.
Participation in voluntary associations is also related to significantly higher life satisfaction, and not only for older individuals. Thoits (2001), employing data from the American’s Changing Lives Survey on the representative sample of 2867 adults, has found that attending meetings of voluntary groups is significantly related to higher life satisfaction three years later. Employing the same data and sample as Thoits, Van Willigen (2000) compared the effects of volunteering on the life satisfaction of individuals aged over and under 60 years. She found that for those both over and under 60 years old, those who reported volunteering for any voluntary associations had significantly higher life satisfaction three years later than those who had not volunteered. Positive relationships between volunteering and life satisfaction among older individuals were also have also been found by Harlow (1996) and Hunter (1981).

Thoits (2001) has also discovered that individuals who attend meetings of voluntary associations and who volunteer are happier than those who do not. However, the effect of volunteering on happiness disappears when attendance at meetings of voluntary groups is controlled. Therefore, it can be concluded that individuals who attend meetings of associations are also very likely to get involved in volunteering and to have higher levels of happiness.

Similarly Binder and Freytag (2013) using the British Household Panel Study found a positive impact on life satisfaction and it was increasing over time if a person volunteered regularly and continuously. They also found that volunteering has the strongest effect of increasing life satisfaction for individuals who are least satisfied with their lives. A positive effect of volunteering on life satisfaction has also be found in a panel study conducted in Germany (Meier and Stutzer, 2008) and in the USA (Borgonovi, 2008).

Thoits argues (2001), the reciprocal relationship between participation in voluntary associations is as plausible: that is, individuals with better well-being are more likely to be involved in voluntary associations, and involvement, in turn, could enhance the well-being of participants.

Thoits has tested this reciprocity hypothesis and found some support for it. Individuals who were happier, more satisfied with life, and reported higher self-esteem at time 1 reported spending more time on volunteer work three years later, after the controlling for other variables. However, this effect is mediated by participation in different organisations—if this is controlled, the effect of psychological well-being disappears. It
means that people with better well-being are more likely to become involved in organisations and, subsequently, more likely to volunteer. At the same time, the number of hours of volunteering reported at time 1 also had a significant positive effect on happiness, life satisfaction, the sense of mastery, and self-esteem measured three years later. So, it can be concluded that according to Thoits’ findings, participation in voluntary associations and psychological well-being do have a reciprocal relationship.

Volunteering and mental health
De Silva’s (2005) review of studies on social capital and mental health suggests that a number of studies have explored the potential effect of participation in voluntary associations on individuals’ mental health. These studies indicate that being active in or volunteering for voluntary associations has a positive effect on mental health, especially for older adults. However, participation in some voluntary associations can also have negative consequences for the mental health of individuals involved in them.

Individuals who participate in voluntary associations have better self-reported mental health than individuals who do not participate. Ellaway and Macintyre (2007), in a sample of 2,334 respondents from West Scotland (UK), found that both men and women who reported that they regularly participate in a list of groups and associations had lower scores on anxiety and depression scales than those who did not report participation in any group or association. Similarly, Pevalin and Rose (2003), employing a nationally representative sample of 16,750 adults in the British Household Panel Survey, found a significant negative relationship between being active in any voluntary associations and mental health, and also a negative relationship with the onset of poor mental health. Individuals who reported involvement in any listed associations were less likely to report mental illness, and involvement at time 1 also meant a lower likelihood of decline in mental health within the two years after involvement.

The effects of voluntary associations on individuals’ mental health might be gendered and depend on the type of organisation. Boreham (2003), using a representative sample of 7,988 adults in England, found that the relationship between participation in organised activities and mental illness is significant only for women. For men, the direction of the relationship is the same but not significant. However, according to the findings of Ellaway and Macintyre (2007), participation in different types of groups can have different effects on men and women. They found that involvement in political, church-related, education and art groups is not significantly related to individuals’ levels of depression and anxiety. Participation in civic groups is related to lower levels of depression and anxiety for men.
but not for women. Involvement in social clubs (such as the Rotary Clubs, parents and toddlers’ groups, and working men’s clubs) are related to lower levels of depression for men but not women; health and sport clubs are related to lower levels of anxiety and depression among men and lower depression among women. Involvement in parent/teacher, tenants’ and residents’ groups have a relationship to lower depression and anxiety for men but not for women.

Not all types of voluntary associations have a beneficial effect on individuals’ mental health. The studies reviewed above did not distinguish between bridging (i.e., associations that include individuals from different backgrounds) and bonding (associations that include individuals mainly from a similar background) voluntary associations. However, as the study by Mitchell and La Gory (2001) indicates, for some groups, such as the urban poor, involvement in ‘bonding’ voluntary associations could be negatively related to individuals’ mental health. Mitchell and La Gory, in a sample of 222 household decision makers living in highly poor and racially segregated parts of a city in the USA, found that individuals who were members of ‘bonding’ voluntary associations were more likely to have mental health problems than those who were not involved. On the one hand, individuals who have poorer mental health might be more likely to get involved in bonding associations than mix with individuals from different backgrounds. On the other hand, as Portes (1998) has suggested, involvement in groups in the community can demand conformity from their members and reduce individuals’ autonomy and individuality. It might be that the more bonding the groups are, the more conformity they demand in order to maintain the relative homogeneity within the group. Therefore, bonding group members experience a reduced sense of autonomy and higher stress, which, in turn, negatively affects their mental health.

Rietschlin (1998) has found that the diversity of associations one belongs to could have a buffering effect in situations of stress. Individuals who are involved in a higher number of different voluntary associations are more likely to have lower levels of depression in the presence of stress than individuals who are not involved in voluntary associations or are involved in a lower number of associations, even after controlling for self-esteem, social support, and mastery. However, this was a cross-sectional study with a non-random sample of 850 individuals in south-western Ontario (Canada). Therefore, the relationships between the number of different associations and the levels of depression might be reciprocal: individuals with lower levels of depression could be more likely to get involved in various associations than individuals with higher levels of depression.
Activities in third sector organisations could also protect unemployed women from poor mental health. Pevalin and Rose (2003) have found that while, in general, activity in voluntary groups does not moderate the effects of demographic and socio-economic status on mental health, for women, it moderates the effect of employment status. For women who are active in any voluntary associations, employment status has no effect on the likelihood of mental illness, but among those who are not active in any voluntary association, unemployed/non-working women are more likely to have poor mental health. However, the causal direction in this relationship might as well be reciprocal.

Volunteering might be a more important factor of mental health for older than for younger people. Pevalin and Rose (2003) have found that while with age there is a general decline in physical and social functioning, for those who reported participation in any of the listed associations, this decline was less marked. The gap in functioning between those active and those not active in associations, according to Pevalin and Rose, starts to widen between the ages of 35 and 40. Li et al. (2006), in a longitudinal study using a nationally representative sample of 875 individuals ranging in age from 40 to 59 and a sample of 1,669 individuals older than 60 years from the Americans’ Changing Lives Study, have found that volunteering (a combined measurement indicating how many associations and how many hours in the previous year) is beneficial for both mental and physical health in later life: it has both a salutary and compensatory effect. Volunteering improves mental health and reduces the speed of physical decline in older age. However, Li et al. did not discover a similar effect in the middle-aged individuals, probably because at this age individuals have other sources of mental health and do not experience as many physical health problems as older individuals.

Some studies indicate that volunteering and other forms of participation are very likely to involve a reciprocal relationship with mental health. Li et al. (2006) have found that for middle-aged individuals, depression has a barrier effect on volunteering: individuals with higher levels of depression tend to volunteer less than individuals with lower levels of depression. Musick and Wilson (2003), employing the same data set as Li et al., have discovered that volunteering and both church-related and secular voluntary groups, as well as the attendance of group meetings, are negatively related to depression, but only for individuals older than 65. Also using the same data from the American’s Changing Lives survey waves in 1986, 1989, and 1994, but that from the sample of individuals who were 60 or older in 1986, Morrow-Howell et al. (2003) have found that individuals who had volunteered for any organisation in the preceding wave experienced lower depression in the next wave than those who did not volunteer. In turn, the higher the
number of hours volunteered, the lower the level of depression in the following wave. Gender, age, and type of association had no moderating effects on this relationship. Similarly, Thoits (2001), also employing data from the American’s Changing Lives survey from 1986 and 1989, in a longitudinal panel study of a nationally representative sample of 2,681 adult individuals, has found that lower levels of depression in 1986 were related to more hours spent volunteering in 1989. Attending meetings of community organisations in 1986 was also related to lower levels of depression three years later. Pevalin and Rose (2003) have found that while activity in voluntary associations, in the UK, reduces the chances of the onset of poor mental health, poor mental health also increases the chances of leaving activity in voluntary associations.

Volunteering, physical health, longevity, and mortality
Volunteering is often hypothesised to be related to better physical health and longer life. Indeed, the results of several studies indicate that volunteering means better physical health and longer life for the elderly, but has little or no effect on younger individuals’ health. Moreover, participation in voluntary associations seems to be related more to men’s than to women’s health, and the effects of participation vary between different types of associations.

Volunteering is not only beneficial to older individuals’ mental health but is also hypothesised to protect them from the negative effects of retirement, psychical decline and inactivity (Fischer and Shaffer, 1993). Several, mostly cross-sectional, studies consistently demonstrate that older individuals who volunteer have better self-rated physical health and or physical functionality (Lum, 2005, Morrow-Howell et al., 2003). In addition, older people who volunteer, particularly those who volunteer more frequently, tend to live longer then non-volunteers or those who volunteer less frequently, even after controlling for age, sex, health habits, and health status (Oman et al., 1999, Sabin, 1993, Harris, 2005, Musick et al., 1999, Shmotkin et al., 2003, Lum, 2005).

However, volunteering seems to have beneficial effects only on older people’s physical health and longevity, not on all age groups. Li and Ferraro (2006) have found that the extent of volunteering (a combined measure of how many associations and how many hours someone has volunteered in the previous year) relates to the speed of physical decline in older individuals (over 60), but that volunteering has no significant effect on the functional abilities of middle-aged individuals (49-60), probably because they do not experience so many physical limitations. Similarly, Van Willigen (2000) has found that volunteers in both groups over and under 60 years of age have better perceived health
then non-volunteers, but the effect is significantly stronger for older volunteers. Also Morrow-Howell et al. (2003) have found that volunteering reduces the effects of age on functional dependency.

From a limited number of studies that have focused specifically on the gender-related effects of the relationship between involvement in associations and health, it seems that participation in voluntary associations might be more strongly related to men’s than to women’s health. House et al. (1982), in a prospective longitudinal cohort study of 2,754 adults (aged 35-69 at the beginning of the study) in Tecumseh county (USA), found that men who at the beginning of the study reported attending voluntary association meetings less frequently were 2.8 times more likely to die within the next nine years. However, attendance of meetings had no significant effect on the mortality rates of women. In comparison, Moen et al. (1989, , 1992), employing data from the Women’s Role Survey from 1956 and 1986 in an upstate New York community, with a random sample of 427 women who were 25- to 50-year-old wives and mothers, found that women who had held memberships in clubs and organisations in 1956 lived longer and remained healthier in 1986. The differences could be explained by sample differences: while in House et al.’s study there was a wide variety of family statuses, in Moen et al.’s sample only those women who were married and had children were included. These women were more likely to have more role identities that could protect them from higher levels of stress related to social isolation and, consequently, from ill health and higher mortality rates.

Gendered differences in the effects of involvement in voluntary associations can also occur between different types of associations, given the fact that men and women tend to become involved in different associations. Young (1998), in a study of a sample of 629 non-metropolitan elderly, has found that participation in ‘instrumental’ (community-orientated) associations is related to better perceived health for both men and women, but participation in ‘expressive’ associations (those mainly for members’ benefit) is related only to women’s perceived health. More detailed analysis on the gendered effects of different types of organisations on individuals’ health has been conducted by Ellaway and Macintyre (2007). Using data from three age cohorts—2,334 individuals from West Scotland born in 1930s, 1950s, and 1970s—they have found that the effects of regular participation on health vary by gender and type of association. Thus, no relationship with health indicators was found for involvement in political groups. Participation in church-related groups was related to a lower waist-hip ratio and lower resting heart rate for both men and women; involvement in education and art groups had no effect on men but were related to a lower waist-hip ratio and lower resting heart rate for women;
participation in social clubs was related to a higher body mass index and higher systolic blood pressure for men and lower resting heart rates for women. Involvement in health clubs related to lower resting heart rates for men and a lower body mass index, waist-hip ratio and resting heart rate for women.

Similar to psychological well-being and mental health, there is still a causality issue in the relationship between voluntary associations and physical health. It is often assumed that using mortality rates eliminates the problem of causality and allows assumptions that participation in voluntary associations is causally prior to mortality. However, temporal precedence is only one of three causality criteria (Menard, 2002). While death definitely occurs after participation, there can still be a spurious relationship between participation and longevity. Most likely, individuals who are physically healthier are more likely to participate in voluntary associations and also to live longer than individuals who have poor physical health. The evidence of the direction of causality from participation to physical health has been found by Pevalin and Rose (2003): individuals who reported being active in any voluntary association had a lower likelihood of having poor self-rated health and a higher chance of recovering from poor health, if ill, than individuals not active in any association, after controlling for demographic variables, class, and employment. But as the study by Thoits (2001) suggests, as in the case of mental health, physical health may also involve a reciprocal relationship with participation in voluntary associations. She has found that individuals with better self-reported health tend to report more volunteering hours three years later. At the same time, more volunteering hours are also related to better self-reported health three years later, even when controlling for physical health at the time of volunteering.

Also there is still only very limited evidence of how does participation in third sector improve well-being and health. Although not much theoretical work has been done in relation to this question, the basic mechanism that is assumed to function seems to be the following: third sector organisations provide individuals with opportunities for extra social contacts besides their family, relatives, friends, and employment (Sills, 1968). Social contacts, in turn, have well-established and documented links with individuals’ psychological well-being and health through different psychological and physiological mechanisms (see the comprehensive reviews by House et al., 1988, Kawachi and Berkman, 2001). Therefore, third sector organisations are assumed to have a positive effect on participants’ well-being and health through social contacts.
4.1.2 Impacts of working in the third sector

Pay
An intended or manifest benefit of paid work in any sector is pay or wage (Jahoda, 1982, Jahoda, 1981). What are the impacts of working in the third sector on employees’ wages? In general, as the analysis conducted by Taylor, et al. (2014) suggests, comparative studies on pay across different sectors reveal a complex picture, with the results depending on what is being measured and how that is disaggregated by socio-demographic characteristics. Most studies have compared hourly and weekly pay rates across sectors, with a focus on wage differentials— the gap between overall rates of pay for workers in different sectors. Most of them have been conducted in the USA and for particular occupations (e.g. Weisbrod, 1983, Preston, 1989, Leete, 2001). Most of them, except for Leete (2001) found a third sector wage discount— third sector workers earning less than workers in other sectors in that particular industry or field.

In the UK, a recent study conducted by Rutherford (2015) found a steady increase in earnings of the third sector’s workforce over the past 20 years with mixed evidence of a public sector wage premium and third sector wage discount. Looking at wages across all three sectors by gender, he found that for male workers in 1997 there was a public sector wage premium of 3.5% and voluntary sector wage discount of 12.5%. However, for female workers the public sector premium was 5.7% but there was no significant voluntary sector wage discount. When tracing these differences over a period between 1997 and 2007 he found that the voluntary sector wages grew over this period faster than wages in the private or public sector. The result was that the wage gap between sectors has closed for men, while wage differences between sectors for female workers remained insignificant (Rutherford, 2015). In other study Rutherford (2014) found that the differences between private and third sector pay are more pronounced for senior positions and less- for lower paid positions

Other studies have focused on the likelihood of an individual being in a low paid work. For example, Almond and Kendall used the UK Labour Force Survey data for 1996/7, to analyse sector differences in the likelihood of a low pay across sectors. They found a substantial gap between the high number of employees in the private and third sector in low paid jobs (20.2 and 16.8% respectively) compared to those in the public sector where only 6.3% had a low pay. However they also show that sector patterns masked considerable variation for different categories of worker. For men the probability of being low paid was about the same in the third and private sector which were both higher than
the public sector. A woman working in the private sector has a 1 in 3 chance of being low paid compared to a women working in the third sector that has only a 1 in 6 chance. Almond and Kendall argued that while the third sector may have more highly qualified staff than other sectors, it also has the highest proportion of workers who are low paid within their qualification group: ‘the third sector is the only case in which more than 1 per cent of workers are human capital rich but current wage poor: just under 2 percent of all third sector employees fit this description compared with 0.5 percent in the private sector and 0.2 percent in the public sector (Almond and Kendall, 2000, p.62).

Qualitative and smaller scale studies of the third sector workforce question whether pay in the third sector is increasing and the gap with other sectors is narrowing. These studies explore how restructuring of public services has led to shifts in the structure, funding and governance of third sector organisations that has in turn impacted on the working conditions of staff (Cunningham and James, 2009, Cunningham, 2008, Cunningham et al., 2013). They find negative effects for particular groups of workers, such as increased job insecurity, salary reduction, casualization, work intensification and a ‘fragmentation’ of pay and conditions. For example Cunningham et al in a survey of third sector employers in Scotland found that as many as 76% employers have introduced a pay freeze and 90% failed to match the increase in salary to the increase in costs of living, although not all organisations succumbed to pressure to degrade terms and conditions (Cunningham et al., 2013). A qualitative study of staff in a small number of social care organisations by Cunningham and James found problems with maintaining existing links to local authority pay scales as well as increased insecurity amongst staff resulting from restructuring and redundancy programmes (Cunningham and James, 2009). Yet, Taylor et al. (2014) point out, the problem with the third sector focused studies is that only looking at the third sector organisations in the context of public service delivery means there is little scope to examine the extent to which these same pressures might be acting on the public sector itself or its private sector sub-contractors and their workforce.

Overall the data suggests that, at least in the UK, pay in the third sector as a whole is not significantly different to pay in the other sectors, although workers may be relatively low paid for their qualification. However there is a lack of evidence about the sector difference in pay for particular groups of employees, for example, low paid care workers. The evidence from US and qualitative studies indicate that the broad sector picture is likely to disguise diversity and complexity at the industry, subsector and demographic level.
Job satisfaction and subjective well-being

Very little research has been done on possible unintended impacts of working in the third sector. An exception are studies on the job satisfaction premium – higher levels of job satisfaction experienced by third sector employee compared to employees in the private and public sectors sectors (e.g. Benz, 2005, Francois, 2000, Francois and Vlassopoulos, 2008, Borzaga and Tortia, 2006, Lee and Wilkins, 2011, Donegani et al., 2012, Becchetti et al., 2014, Tortia, 2008). The detailed review of these studies is out of the scope of this paper, as other project partners are reviewing the evidence for this impact area.

Some research evidence indicates that paid work in third sector might have impacts on domains other than pay and job satisfaction. Using the UK Annual Population Survey Kamerāde and McKay (2014) found that in the third sector employees have higher levels of subjective well-being than workers in other two sectors. However, this subjective well-being premium is not evenly distributed between men and women: while both men and women in the third sector experience higher levels of fulfilment than private sector employees, only men have higher levels of happiness and life satisfaction. Women in the voluntary sector have lower life satisfaction than their public sector counterparts.

Third sector employment can also contribute to human resources development, in other words, enhancement of employees’ skills, knowledge and attitudes. For example, CIVICUS project (CIVICUS, 2012) has suggested to measure human resource impacts of third sector using indicators such as whether third sector organisations offer internship, training or other forms of professional development. However, for now the empirical evidence on the impact of third sector employment on human resource development is limited to the analysis conducted by the National Council of Voluntary Organisations in the UK which found that employees in the third sector are more likely to receive job related training than the private sector employees but less likely than individuals working in the public sector (NCVO, 2013).

Community Impacts

Since de Tocqueville, who emphasised the role of voluntary associations in American democracy, many authors have discussed the community and societal impacts of third sector, but no consensus has been achieved yet of what societal impacts does third sector bring. Probably, a consensus cannot be achieved, as the contribution of voluntary associations to society depends of the type of association and the wider social, political
and economic context within which these associations function (Babchuk and Edwards, 1965, Fung, 2003, Paxton, 2002, Salamon and Anheier, 1999). This section focuses on four community impacts of third sector. Enhancing democracy is classified as intended/manifest impact. Three latent impacts of voluntary associations reviewed in this paper are 1) community building through facilitating social integration and enhancing social trust, 3) reducing levels of crime, and 3) promoting public health. This review excludes providing services that neither governments nor businesses want to or can provide, as this societal benefit is a theme for a separate review in this project.

1.1.1. 3.1.1 Enhancing democracy

Probably the most discussed contribution of third sector organisations and individuals’ involvement in them to society is that they enhance democracy- they are arenas for civic and political participation and “schools for democracy”, particularly at the local community levels where the participants have to interact with each other (de Tocqueville, 1946 [1835])

Fung (2003), in his expertly systematised overview of the numerous contributions of third sector organisations to democracy, argues that voluntary associations enhance democracy in six main ways (through six ‘paths’). They 1) embody the freedom of association; 2) foster civic values and teach civic skills; 3) provide resistance to illegitimate or tyrannical power in the situation of a lack of democracy or developing democracy, or check government in more mature democracies; 4) improve the quality and equality of representation; 5) facilitate public deliberation; and 6) provide opportunities for individuals to participate in governance. The following section discusses these contributions in detail.

Freedom of association

First of all, voluntary associations provide individuals with an opportunity to exercise one of their basic rights: freedom of association. Freedom of association is the basis of democracy and, according to the supporters of liberal democracy, a good end in and of itself (see the outstanding volume on freedom of association edited by Gutmann, 1998). Third sector is often envisioned as an area where individuals can express their freedom;

Moreover, the issue of causality between voluntary associations and the level of democracy in society still remains unresolved. On the one hand, in more democratic societies individuals might have more freedom to associate in groups. On the other hand, participation in voluntary associations that develop civic virtues, promote equal representation, and participate in governance itself can enhance democracy.
as a safeguard for this freedom from intrusion by the state; as an alternative to and a watchdog for the state and private sector (Pearce, 2002).

Civic values, attitudes, behaviour, and skills
Secondly, third sector fosters civic values, attitudes, and behaviour and teaching civic skills necessary for political participation. According to de Tocqueville (1946 [1835]) voluntary associations are schools of democracy. Civic virtues that are believed to be developed in voluntary associations are ‘attention to the public good, habits of cooperation, toleration, respect for others, respect for the rule of law, willingness to participate in public life, self-confidence, and efficacy’ (Fung, 2003, p.520).

Apart from civic virtues, third sector involvement is believed to give individuals opportunities for the development of civic skills necessary for political participation. Thus, Brady and Verba et al. (Brady et al., 1995, Verba et al., 1995) within the framework of the resource model, argue that involvement in associations helps individuals to develop skills for political participation.

Yet, according to Dekker there is only ‘a very fragile empirical basis’ (2014, p.45) for this assumption. Using European Social Survey 2012/2013 data from 24 countries, he found that while countries with higher levels of third sector participation also have higher levels of political participation, there was no significant relationship at the individual level. Similarly, other studies indicate any correlation between involvement in voluntary associations and civic engagement that is found is most likely to be due to a selection effect. Thus Van Der Meer and Van Ingen using data from 17 European countries that participated in European Social Survey, found that voluntary associations are not the schools of democracy they are proclaimed to be, but rather “pools of democracy” (Van Der Meer and Van Ingen, 2009, p.303) – voluntary associations, both political and non-political, simply attract individuals who already posses certain skills are more civically minded. Similarly Quintelier (2008) found that in Belgium young people who are involved in more organisations are also more politically active but time devoted to one organisations does not increase political activity.

The main explanation that Dekker (2014) proposes for this apparent lack of relationship between involvement in voluntary associations and civic skills and political participation is that time spent in voluntary associations is very short compared to the time that individuals spend in work, school, on the Internet and other formal or informal places of socialisation where they are more likely to learn civic skills than in voluntary associations.
Another possible explanation for a weak or no effect of involvement in third sector and political participation at the individual level lies in the diversity of third sector organisations. Some of them, such as associations for bird watchers, coin collectors or local football clubs have little or no political agenda (Freise and Hallmann, 2014, Dekker, 2014). Some third sector organisations and activities are better suited for fostering civic values, attitudes, and behaviour and teaching civic skills necessary for political participation than others.

**Resistance to power**

Third sector organisations and involvement in them provide resistance to illegitimate or tyrannical power in situations lacking democracy or in developing democracies, and they check government in more mature democracies. Fung refers to several scholars working in developing democracies (e.g. Diamond, 1999, Ignatieff, 1995) who have emphasised voluntary associations as a key source of resistance to antidemocratic power and tyranny. McConnell (1969), providing the example of the Nazi regime, which started with destruction of voluntary associations, also argues that it is harder to destroy many organisations and persuade groups of individuals to join totalitarianism regimes than to persuade single individuals to do so. In more democratic conditions, according to Fung (2003), voluntary associations still serve a watchdog function by checking for responsibility in the actions of government, for example, exposing cases of corruption or abuse of power. Unfortunately, the empirical evidence on how effective European third sector is providing a check of power still needs to be collected.

**Quality and equality of representation**

Fourthly, of the hypothesised impacts of associations on democracy, the category that has received the most attention has concerned how third sector improves the quality and equality of representation. According to Fung (2003), political representation though voluntary associations, compared to other methods or representations such as voting, lobbying, or contacting officials, has better quality for three reasons: Firstly, information delivered to policy makers by third sector organisations is assumed to be of better quality and richer than information provided by individuals. Secondly, third sector organisations can unite individuals from different geographical regions, thus giving voice to individuals who would otherwise remain silent because they are geographically scattered, for example, like Gingerbread- a national charity connecting single parents in the UK. Thirdly, information is much more likely to reach decision makers than through other channels.
Third sector organisations are also expected to improve equality of representation. Even in the most democratic society, because of the enormous diversity in interests, the state is most likely to cater to the interests of the majority. Voluntary groups provide opportunities for minorities and those who are not powerful and resourceful on their own to unite to promote their interests and thus protect themselves from the ‘tyranny of majority’ (de Tocqueville, 1946 [1835], p.128).

However, as Fung emphasises, the equality of representation through voluntary associations is often rather more hope than reality (2003). As Brady et al. (Brady et al., 1995, Verba et al., 1995) have pointed out, participation requires resources. All individuals in a democratic society can have freedom of association, but not all of them, due to lack of resources, can exercise this freedom. Individuals and groups in society who are less powerful and less resourceful, in general, are also less likely to form associations and to participate in them. For example, Stoll (2001) has found that individuals from poorer neighbourhoods are less likely to be involved in associations than individuals from more affluent areas. However, once poverty of neighbourhood is controlled for, African Americans have even higher involvement rates than white Americans. Similarly, the Citizenship Surveys in the UK have repeatedly demonstrated that individuals from ethnic minority groups and individuals who have no qualification or have a disability or a long-term illness are less likely to be involved in voluntary associations (Kitchen et al., 2006, Low et al., 2007). Even among the poor, those who are less poor are more likely to be involved. Curtis and Zurcher (1971), reviewing the results of several poverty intervention programmes that involved voluntary association membership, have identified this phenomenon as ‘creaming’. These findings indicate that differences in involvement in voluntary associations between different groups in societies often are due to inequalities in resources. Further evidence of the fact that equality in involvement remains more hope than reality is the finding that, at least in the UK, the gap between middle-class and working-class participation in voluntary associations is widening (Hall, 1999, Li et al., 2003).

Moreover, as Michels (1915) and Rosenblum (1998) argue, some voluntary associations, in terms of their organisation, are very far from democratic ideals. Michels (1915), studying political parties, identifies ‘the iron law of oligarchy’, that is, the tendency for formal organisations to be dominated by a small group of ‘self-perpetuating elite’. In addition, these elites function in a non-democratic way by preventing the involvement in decision-making of individuals who have backgrounds, opinions or values different from
their own. Similarly, Roseblum (1998) shows that some voluntary associations operate on principles of exclusive membership or hierarchical, authoritarian leadership. Nevertheless, despite all these shortcomings, third sector organisations and individuals’ activities in them are an important and fundamental component of modern democracy (Freise and Hallmann, 2014).

Public deliberation
The fifth benefit of third sector to democracy is that they facilitate public deliberation. Third sector creates a public sphere where citizens can communicate their ideas and, by persuading others, can promote their ideas to the public agenda and to policy makers (Habermas, 1996, Cohen and Arato, 1994). Through public deliberation, the ‘voting democracy’, where power and money wins the game, is substituted with the ‘talking democracy’, where the power of argument is the crucial element in decisions regarding which policy activities should be implemented. According to Habermas, associations raise issues important to society and promote them by argumentation to decision makers, so that the state can solve them.

Participation in governance
The sixth benefit of third sector to democracy is that associations provide individuals with opportunities to participate in governance. Some scholars have even proposed ambitious visions of governance by voluntary associations only (Hirst, 1994), by very close cooperation of government and third sector in decision making and implementation of policies (Cohen and Rogers, 1995), or by direct involvement of individuals in decision making through voluntary associations (Fung and Wright, 2003). In reality, some governments have already realised that voluntary associations can be involved in governance, mainly in the implementation of social programmes or to achieve policy aims that cannot be achieved by the activities of government. Thus, for example, in Spain, government is collaborating closely with voluntary and charitable associations, as well as funding them, in order to achieve its goals of integrating immigrants from the Third World (Huntoon, 2001).

3.1.2 Community building
Third sector organisations also contribute to community building through social integration and enhancement of generalised (social) trust.

Social integration
Third sector organisations promote the social integration and social cohesion of society: they integrate minorities into the mainstream and to facilitate contacts between
individuals from different backgrounds (Sills, 1968, Anheier, 2001, de Tocqueville, 1946 [1835]). Although it is traditionally emphasised that one of the main impacts to society from voluntary associations is their contribution to social integration, there are few studies that have investigated this assumption. Several studies show that not all voluntary associations involve individuals from diverse backgrounds. Nevertheless, even those voluntary associations that involve members from similar backgrounds can have positive social consequences, such as providing social, psychological, and economic support to their members, which indirectly contribute to the public good.

This idea that third sector promotes social integration rests on the assumption that, in general, voluntary associations tend to be heterogeneous, or in other words, that they include individuals from different backgrounds. Studies on gender segregation and homogeneity in voluntary associations demonstrate that some voluntary groups may be exclusive rather than inclusive (i.e. bonding rather bridging), and may tend to attract and admit individuals only from similar backgrounds and thus enforce homophily—a tendency to link similar people.

Homogenous voluntary associations can also facilitate segregation: separation of individuals based on their race, religion, ethnic group, sex, or social class. For example, several studies have established that both involvement in voluntary associations and voluntary associations themselves are gender segregated (Popielarz, 1999, McPherson and Smith-Lovin, 1986, McPherson and Smith-Lovin, 1982). For example, McPherson and Smith-Lovin (1986) found significant sex segregation in 815 voluntary organisations in 10 communities in Nebraska (USA). Almost half of these organisations were exclusively female, but 20% were exclusively male. In fact, when the fact that all groups where even only one member was from the opposite sex were classified as heterogeneous is taken into account, the rate of group homogeneity is even higher. Moreover, men in voluntary associations tend to have more heterogeneous contacts than women have. All-female groups, in particular, lead women into relationships that are highly homophilious in terms of age, education, religion, marital status, and work status (Popielarz, 1999). Thus MacPherson and Smith-Lovin, (1987) in a study of 304 associations in 10 US communities, found that homogenous voluntary organisations (those with members similar in age, sex, and education and occupation level) tend to produce greater similarity between pairs of friends formed within the group than heterogeneous groups. Thus homogenous groups promote homophily among their members. These findings demonstrate that not all voluntary associations are heterogeneous and that not all promote social integration in
terms of the development of diverse contacts. Rather, some groups are homogenous and contribute to homophily and segregation.

These findings raise an important question: Are homogenous associations not beneficial to society? According to Putnam (2000), who refined the idea of heterogeneity and homogeneity in social networks, the answer is that although not all voluntary associations contribute to social integration, both homogenous and heterogeneous groups can nevertheless have positive social consequences. Moreover, homogeneity and heterogeneity are not mutually exclusive opposites; most groups simultaneously involve elements of homogeneity and heterogeneity. Putnam (2000) distinguishes two types of social networks, including voluntary associations: bonding (exclusive) and bridging (inclusive). Bonding social networks, according to Putnam, are homogenous and strengthen narrow identities. In other words they bond similar individuals together. In contrast, bridging social networks are more heterogeneous: they promote wider identities and link individuals from different backgrounds. According to Putnam, ‘bonding vs. bridging’ is not a dichotomy. With very rare exceptions, networks are not exclusively bonding or bridging. Almost every social network simultaneously has bonding and bridging properties. Some networks are more bonding than bridging or vice versa. For example, an environmental group bonds together individuals who have homogenous interests, such as a strong interest in protecting the environment. At the same time it bridges individuals who are heterogeneous with respect to their age, education level, and (in the case of international environmental groups) even their country.

Both bridging and bonding associations can be good for society. However, as Putnam emphasises, both bonding and bridging networks can have positive social consequences. Bonding groups may provide social, psychological, and economic support, and promote the interests of their members. Although in some cases such groups (e.g., pro fox hunting supporters’ groups) may not contribute much to the public benefit (even if they claim that they do), it would be wrong to assume that all homogenous voluntary associations which have a strong inward orientation are exclusively for their own members’ benefit and do not contribute to social integration. In some cases, by supporting only their members and being very homogenous, voluntary associations still contribute to the public good and social integration. For example, Schoeneberg (1985) has found that extremely homogenous voluntary associations of ethnic minorities in Germany provide social and psychological support for their members at the same time as they help them
integrate into society. Although they are strongly exclusive—thus, bonding—these groups in fact also facilitate the social integration of their members.

Characteristics affecting homogeneity or heterogeneity that have been identified so far are type of association (whether it is instrumental or expressive) and location. Thus instrumental voluntary associations, such as professional groups and political groups, are more heterogeneous, but expressive groups, such as hobby groups, tend to be exclusively male or female (McPherson and Smith-Lovin, 1986, Glanville, 2004). In addition, the homogeneity of association depends on the location of the voluntary association. Thus, Glanville (2004) has found that neighbourhood associations tend to be more homogenous than more distant associations. Moreover, when the type and location of association is controlled for, there are no differences in the gender composition of associations.

Social trust
Within the debates on social capital initiated by Putnam’s (2000, 1995, 1993) publications, scholars often propose that voluntary associations, through social integration, facilitate the development of trust (also called interpersonal trust, generalised trust or social trust) in society. Trust, in turn, according to Fukuyama (1995a, 1995b), is important for the functioning of society and the economy. He argues that in societies with higher trust business transactions are faster than in societies with lower levels of trust.

Anheier and Kendall (2002) have identified three approaches that have attempted to explain how voluntary associations enhance trust. According to them, the legal-economic approach maintains that voluntary associations such as non-profit organisations are perceived by individuals as being more trustworthy than business firms, especially if the services they offer are very complex and difficult to evaluate (e.g., support for elderly citizens) (e.g., Hansmann, 1996). According to this approach, voluntary associations offer individuals good experiences with trust, experiences where the service provider does not deceive them in order to maximise profits. These experiences enhance generalised trust. According to the sociological approach, voluntary associations are said to build on the pre-existing trust that was identified by Durkheim (1984 [1893]): behind every contract there is an unwritten expectation that not only written agreements will be held but also agreements and expectations that are ‘tacit’. Voluntary associations are said to build on pre-existing trust by further enhancing it through rituals and other practices. Finally, according to the social capital approach, trust is a civic virtue that can be learned through engagement with different ‘others’ in voluntary associations (e.g., Putnam, 2000).
All three theoretical approaches and studies above take a social causation approach, arguing that voluntary associations affect trust. However, an equally plausible explanation could be that people who are more trusting of others are more likely to cooperate with others, also through involvement in voluntary associations. For example, according to a prominent psychologist Eric Erikson (1995 [1950]), people learn to trust or mistrust others and their environment in their first year of their lives. Erikson maintained that development of mistrust leaves an individual unable to engage in long-term and healthy relationships with others and that this general mis/trust can be changed only by significant life events, for example, serious trauma, extreme experiences, or physical therapy.

In addition, there could be also a reciprocal relationship: more trusting individuals are more likely to participate in voluntary associations, and positive experiences in this participation increase their levels of trust.

The findings so far are inconclusive. Some studies point towards no effect of third sector on social trust at the individual level, in other words that involvement in third sector organisations does not make the involved more trusting. For example, if social trust is being developed in organisations, then one could expect that active members have higher levels of trust, as do those who devote more time. However, as the detailed study concerning how different aspects of involvement in voluntary associations are related to social trust from Wollenback and Selle (2002) indicates, this is not the case. Using a nationally representative sample of 1,695 Norwegians, they have found that individuals who are involved in voluntary associations (i.e., are either members or volunteers) have higher levels of social trust than those who are not involved. Among those who are involved in associations, those affiliated to more associations report higher levels of social trust than those involved in lower numbers of associations. At the same time, they have found that there are no significant differences in trust between those who are passive or active, and that the amount of time one spends on associations is not related to trust. These findings could be also indirect indicators of causality.

A positive relationship between involvement and trust is likely to because the selection effect – more trusting individuals are more likely to get involved. Thus Van Ingen and Bekkers (2014) using data from Swiss Household Panel, the British Household Panel, the Giving in the Netherlands Panel Survey (GINPS), the Longitudinal Internet Studies for the Social Sciences (LISS), and the Household, Income and Labour Dynamics in Australia
Survey (HILDA) found that although people involved in voluntary associated are more trusting, the causal effects of civic engagement on trust were very weak, non-significant or not stable. They conclude that any relationship between civic engagements is mostly likely due to selection effect: more trusting people are more likely to get engaged.

However, Sivesind et al. (2012) point out that non-significant results might be due to positive effects of volunteering for some types of third sector organisations cancelling out the negative effects of volunteering for other types of organisations. Using nationally representative cross sectional surveys from Norway and Czech Republic, they found that volunteering is related to trust, depending on the institutional context and the types of organizations for which people volunteer. Thus in Norway where there institutions are reliable and impartial, social trust is higher and volunteering does not contribute to rising levels of social trust. In comparison in Czech Republic, levels of social trust are low, institutions are characterised by high levels of corruption and clientelism and a positive experience of collaboration through volunteering, especially for apolitical groups and organisations, enhances social trust. These findings suggest that the link between volunteering and social trust can vary by type of organisation and social context.

Finally, although all studies on the relationship between voluntary associations and social trust have aimed to establish this relationship at the population level, they have employed the aggregate measures of the individual-level responses. While in the case of social trust, the aggregate measure seems to be the best and probably the only choice, this is not so for voluntary associations. Studies aiming to investigate the relationships between trust and voluntary associations at the societal level could use some societal-level measures of voluntary associations, such as the number of voluntary associations in the country per certain number of inhabitants, the diversity of voluntary associations, or similar measures.

3.1.3 Crime reduction
Third sector also has unintended, latent impacts to community- it assumed to reduce crime, and improve public health. Involvement in voluntary associations is also hypothesised to reduce crime rates in society, mainly by enforcing social norms and restricting antisocial behaviour. Two cross-sectional studies have found some support for this hypothesis. Kennedy et al. (1998) found that per capita density of voluntary association membership in American states is negatively related to firearm crime rates, even when controlling for income inequality and access to firearms. Galea et al. (2002)
also found a negative relationship between group membership and homicide rates in 32 US states; however, this relationship was not stable over time.

Some voluntary associations, in contrast, can contribute to violence and crime in society. While most voluntary groups employ peaceful means to advocate their own interests, some can demonstrate violent expression of self-interest (Sills, 1968, de Tocqueville, 2000 [1840]), employing violent methods or even becoming paramilitary groups, as in the case of Northern Ireland and Israel/Palestine (Gidron et al., 1999). Two classical sociological examples of such associations are the Mafia and the Ku Klux Klan (Putnam, 2000). The Ku Klux Klan promotes white dominance, anti-Catholicism, anti-Semitism, racism, and homophobia, often employing violent methods such as intimidation. Similarly, the Mafia is an illegal organisation with antisocial and criminal purposes and methods. Of course, it could be debated whether, for example, the Mafia constitutes a voluntary association as voluntary entry to it or exit from it is sometimes either impossible or restricted. Nevertheless, these two associations are examples of some of the potential negative outcomes of associations of individuals.

3.1.4 Population health and mortality rates
Another hypothesis which has recently become popular among policy makers is that in neighbourhoods, regions, and countries where involvement in voluntary associations is thriving, residents are mentally and physically healthier, live longer, and are less likely to die from causes other than old age.

Kawachi and Berkman (2000) have proposed three mechanisms (at the neighbourhood level) through which involvement in voluntary associations could affect public health. Firstly, social connections, including voluntary associations, could affect the health-related behaviour of individuals through diffusion of information and social control of deviant health behaviour. Density of voluntary associations might help to spread health-related information. The more social connections are available for the individual, the more likely she or he is to be exposed to the information circulating in these social networks. Thus, Merol et al. (2003), in a sample of 15,456 women aged 45 to 73 and living in 95 neighbourhoods in Malmo, Sweden, have found that women living in neighbourhoods with low participation in voluntary associations are less likely to use hormone replacement therapy, especially if they themselves have low participation. It might be that information about the impacts of hormone replacement therapy is more dispersed in neighbourhoods where there are more social networks, including voluntary
associations, so that women who are more involved in them are more likely to receive this information.

Voluntary organisations can not only disseminate health-related information but can also exercise social control and apply social pressure to ensure that individuals adhere to healthy habits. For example, healthy lifestyle groups not only provide their members with a wealth of information about healthier eating habits but also exercises social pressure on them by requiring that they report on their eating habits in group meetings.

Voluntary associations might also provide alternatives for deviant health behaviour. Weitzman and Kawachi (2000), in a study of 17,592 students in 140 four-year colleges in the USA, have found that students in campuses with higher than average levels of volunteering have a 26% lower risk of binge drinking. And Veenstra (2002) has found that a composite measure including density of voluntary groups in each district, density of membership, frequency of participation, and percentage of residents who voted in the last election is also negatively related to levels of admissions to hospitals for alcohol or drug abuse. However, this study did not control for other potentially significant variables. Moreover, a reverse relationship between alcohol/drug use and involvement in associations is also plausible.

Voluntary associations, especially consumer and patient pressure groups, can promote improvement of health care services in a neighbourhood, district, state or country. Therefore, individuals living in regions with higher involvement could have better access to health care facilities. Hendry et al. (2002) have found that from 22 major cities in the USA, individuals in those which have scored higher in the composite measure of trust, number of group memberships, voting participation and civic engagement report better access to health care than individuals in cities with lower social capital, after controlling for demographic variables, health status and the health care situation in the city.

Voluntary associations could also affect public and individual health through the psychosocial processes described in the section on the effects of involvement in voluntary associations on individual health. For example, Wheeler et al. (1998), in a meta-analysis of 10 studies, have found that approximately 85% of individuals who had received services (e.g., counselling) from a volunteer had lower levels of depression than the average person in comparable conditions.
To test the third sector effects on population health, population-level data are needed. Although there are numerous individual-level studies on relationships between involvement in voluntary associations and well-being and health, the findings from them do not necessarily apply to the relationships between population-level involvement in voluntary associations and public health (Kawachi and Berkman, 2000). On the one hand, it would be plausible to infer that if individuals who are involved in voluntary associations have better health and well-being, then the more individuals in a certain population are involved in associations, the better the public health of that population. However, if participation in voluntary associations only affects the health of a particular group of individuals, for example, older adults, then a larger number of memberships in associations, if most of them are younger adults, in a population will not necessarily mean better public health.

On the other hand, third sector organisation density or distribution could be a collective characteristic of a population, which affects not only the health and well-being of those who are involved in them but also that of those who are not. For example, parallels could be drawn to studies of social isolation which demonstrate that even socially isolated individuals in more-cohesive communities have lower mortality rates (Seeman et al., 1993, Schoenbach et al., 1986) and lower occurrence of coronary heart disease (Reed et al., 1983) than their counterparts in less-cohesive communities. Similarly, the well-being and health of individuals who do not participate in third sector organisations could benefit from these organisations operating in their community. For example, elderly people who live in a city where there are many third sector organisations that provide volunteer help to older people might have better health and well-being than elderly people living in a city where there are no or very few such organisations.

**Physical health**
A limited number of studies have found no relationship between voluntary association at the state level and physical health. Mellor and Milyo (2005), analysing data from a pooled sample of 68,076 household heads in 39 states in the USA, have found that when other variables such as household income, age, race, gender, marital status, health insurance coverage, central-city status, and education are controlled, there is no difference in self-rated health between individuals living in states with a higher than average number of types of voluntary associations and those living in states with a lower diversity of voluntary associations. As the authors conclude, any differences in self-reported health between states can be attributed to demographic composition, income, and health care system differences between states, not diversity of voluntary
associations. The insignificance of this relationship is not surprising, as it is difficult to imagine what a link between the diversity in associational membership and health could be. Instead, membership or activity per capita could have been a better predictor, assuming that active involvement in voluntary associations requires some physical effort that in turn could affect health.

**Mental health**

Similar to physical health, there is also limited research and theoretical development on relationships between mental health and voluntary associations at the population level. For example, in reviews by McKenzie (2002) and De Silva (2005) we can see that there have been numerous studies on relationships between other elements of social capital (such as trust, perception of neighbourhood, level of social integration and cohesion) and public or individual mental health, but studies using voluntary membership as a predictor of mental health are rather exception. However, in addition to the above two reviews, three new studies that explore relationships between mental health and voluntary association at the population level have been published more recently.

The number of volunteers in a city can be positively related to the stress levels of poor residents. A study of 37,172 inhabitants in 58 cities in the USA by Scheffler et al. (2007) demonstrates that the higher the proportion of individuals employed in voluntary associations within a given city, the lower the incidence of non-specific psychological stress (feeling sad, hopeless, restless, etc.) among individuals with income under the median income. However, the proportion of volunteers is not related to levels of non-specific psychological stress among those residents with income above the median level.

Compared to volunteering, membership rates might not have a positive effect on individuals’ well-being. Yip et al. (2006), studying 1,281 inhabitants in three rural communities in China, found that per capita membership is not related to either subjective well-being or mental health but rather to the availability of associations. They found that the density of voluntary associations, excluding political parties, positively affects individuals’ subjective well-being.

Some simple bivariate analysis presented by Veenstra (2002) reveals that voluntary association at the district level might also be important for objective mental health outcomes. He found that a composite measure of association (including density of voluntary groups in each district, density of membership, frequency of participation, and percentage of residents who voted in the last election) is significantly negatively related to the proportion of residents receiving mental health care \( r=-0.43 \) or the proportion
admitted to psychiatric hospitals ($r=-0.63$). Although interesting, these findings are limited because of their cross-sectional nature and because no other variables were controlled. It might be that mentally healthier individuals tend to participate more in voluntary associations.

**Mortality rates**

Compared to mental and physical health effects at the population level, many more studies have examined whether neighbourhoods, districts, states and countries where inhabitants tend, on average, to be more involved in voluntary associations also have lower mortality levels than regions with fewer associations or where residents are less active in them. Nevertheless, the answer to the question of whether participation and mortality rates are related is not straightforward as the evidence is still limited and findings are inconsistent. It seems that while there is a relationship between mortality rates and voluntary associations at the neighbourhood, district and state levels, it does not hold at the country level.

Kawachi et al. (1997) have compared 39 US states using data from the US General Social Survey (GSS) (1986-1990) and the National Centre of Health Statistics (1990). They have found that in states with a higher than average number of voluntary group membership per resident, both all-cause and specific mortality rates are lower than in states with a lower per capita density of voluntary group membership.

Not only per capita membership matters, but also the diversity of voluntary associations in a region. Thus, Mellor and Milyo (2005), also employing data on 39 states from the GSS, but from the years 1995, 1997 and 1999, have found that the states in the US where individuals tend, on average, to be involved in a higher number of different types of voluntary associations tend to have lower mortality rates. For every additional type of membership there were approximately 131.1 less deaths per 100,000 individuals.

Findings from Canada replicate these results. Veenstra (2002), in a 1995 study of 29 health districts in Saskatchewan, found that the density of voluntary groups in each district (in a composite index of social capital together with density of membership, average frequency of participation, and proportion of residents who voted in the last election), has a negative relationship with the age-adjusted mortality rate per 1,000 residents, after controlling for the demographic composition of each district.
Some evidence suggests that the relationship between per capita membership and mortality rates also holds at the neighbourhood level, even after controlling for neighbourhood prosperity levels, at least in Chicago, USA. Lochner (2003) used data from the Community Survey of 342 neighbourhood clusters in Chicago and found that average per capita associational membership (aggregated from individuals’ responses) was negatively related to all-cause death rates and heart disease death rates (for white men and women only, not for African Americans), controlling for neighbourhood material deprivation (unemployment, poverty, and public assistance).

Although the differences in per capita membership and diversity of voluntary associations does make a difference at the neighbourhood and state levels in the USA and Canada, current evidence does not support this trend at the country level. Of the two studies that compared the extent of participation in voluntary associations in different countries, one did not find a significant relationship between participation in voluntary associations and mortality rates. Another study achieved inconsistent results, most likely due to a small sample size. Thus, Kennely et al. (2003), employing aggregate panel data on 19 Organisation for Economic Co-operation and Development (OECD) countries from the OECD database and the World Values Survey, have found that neither density of group membership (aggregate, the average number of groups to which an individual belongs) nor the average number of voluntary associations individuals do unpaid work for are significantly related to population health measures such as life expectancy, infant mortality or perinatal mortality. Also, no effect on specific causes of death, that is, cancer or heart disease, by voluntary organisations was found. In contrast, per capita income and the proportion of health expenditure financed by the government are both significantly and positively associated with better health outcomes, even when socio-economic and behavioural factors (health expenditures per capita, number of physicians per 10,000 people, health behaviour habits, GDP, and income inequality) are controlled for.

Lynch et al. (2001), also employing the World Values Survey (1990-1991), the UN Human Development Reports (1993), and the WHO mortality database (1991-1993), have compared membership in voluntary associations and mortality rates in 16 ‘wealthy’ OECD countries. They have employed measures of association such as the mean number of organisations which respondents reported belonging to and volunteering for, and the proportion of respondents reporting membership in trade unions. Their results are inconsistent. Belonging to organisations is negatively related to death from cirrhosis, for both men and women, and, for men, to death from stroke. No relation is found to other causes of death, self-rated health, or life expectancy.
However, the results of Kennely et al. (2003) and Lynch et al. (2001) studies can be prone to Type II error due to low sample size. The authors have calculated Pearson’s correlation coefficients and OLS regression coefficients for the sample of 16 and 19 counties; therefore, the power of the statistical test might be too low to discover any relationship that might exist. In addition, in Lynch et al. (2001) study no other potentially significant variables have been controlled.

None of the existing evidence allows for the establishment of whether healthier populations are more likely to have more third sector organisations or, on the contrary, whether better-developed voluntarism increases public health.

Secondly, both the prevalence of voluntary associations at the population level and public health could be related to other factors that moderate relationships between them. For example, Islam (2006), reviewing studies on social capital, has found that in less egalitarian countries there is more likely to be a relationship between social capital and health outcomes than in egalitarian ones. Although this review is focused mostly on components of social capital other than voluntary associations, findings from it could also be extended to voluntary associations. In less egalitarian countries there could be greater health inequalities, which could be increased by unequal access to voluntary associations.

Thirdly, some authors have been relatively limited in the choice of different indicators of voluntary association at the population level. Firstly, almost all of them have preferred aggregated measures of voluntary associations based on self-reporting at the individual level, instead of employing population-level indicators of voluntary associations. Without doubt, use of aggregate measures also contributes to knowledge; however, the use of some objective measurements, such as of the number of voluntary associations per capita and the number of health-related third sector organisations per capita, would provide more specific information about relationships between measures of third sector density at the population level and public health that could be useful for public policy.

4 The State of Knowledge and Future Directions
This literature review has identified several overarching issues that characterised the state of knowledge in the field of third sector impact studies that are important to bear in mind when interpreting the existing evidence and in future research.

4.1 Inequalities in access and benefits: those who have shall be given even more

Firstly, this literature review highlights that the reciprocal relationships discovered in some studies suggest that at the individual level the positive benefits of third sector involvement are available to those who are already better off than others. More specifically, individuals who already have better well-being and health, higher social trust are more likely to be involved in the third sector which, in turn, contributes to better health and well-being. Also, individuals and groups who have fewer resources or who are already less advantaged in society are less likely to become involved in voluntary associations to promote their interests, satisfy their needs, or make changes in policy favourable to them. Moreover, the effects of voluntary participation are gendered and can also vary by age, employment status, income, type of association, and type of involvement. In some cases, for particular groups, such as urban poor, involvement in voluntary associations can have negative consequences (Mitchell and La Gory, 2001). The evidence suggests that third sector associations make an important contribution however, however this contribution is not equally accessible or spread. The presence of voluntary associations is not an easy or straightforward solution for inequalities in participation and representation, or social integration problems, as their effects again vary between different social groups and types of voluntary associations.

4.1.1 Impacts assumed, rarely demonstrated

Secondly this review also highlighted some overarching methodological issues plaguing third sector impact studies. Many studies have relied almost exclusively on analyses of cross-sectional or longitudinal panel data; randomised and controlled trials or carefully designed cohort studies, albeit possible, are non-existent. Although observational studies provide valuable empirical evidence that is an important link in a chain of causal reasoning, in many of these studies the causal relationships often have been assumed rather than demonstrated. Therefore, for many impacts before any policy recommendations can be developed, more rigorous studies, such as randomised trials or carefully designed cohort studies, are needed in order to provide missing links in the chain of causal reasoning about the relationships between voluntary associations and
societal impacts. Until it happens, no firm conclusions can be drawn about the effects of volunteering in general on, for example, wellbeing and health.

4.1.2 Sector specific versus general impacts
Thirdly, this review highlights that in recent decades scholars have been increasingly paying their attention to unintended (latent) impacts of third sector - impacts, while research on manifest (intended) impacts that are specific to the sector has been scarce. Yet with exception of voluntary organisations whose explicit purpose is to improve public wellbeing, health, employability, social integration and cohesion, many other social institutions might be better suited for these purposes than third sector organisations. Therefore there is an urgent need to refocus the research effort back on the impacts that third sector can be better suited to create than either public or private sector, such as providing individuals with an arena to exercise their freedom of association and enhance democracy.

4.1.3 Sociological bias
Fourthly, as Portes has pointed out, ‘Indeed it is our sociological bias to see good things emerging out of sociability’ (1998, p.15). These sociological biases have been especially strong with regard to third sector organisations and activities, which have often been seen as entirely interested in the public good (e.g., see the definitions of voluntary associations by Van Til (2001)) or as having only purely beneficial effects, and not having any negative effects. However, as Merton (1967) has emphasised, a social activity or institution can also be dysfunctional, in other words- create problems, disrupt order or have other negative consequences. It is a mistake to assume that third sector organisations and involvement in them is always functional (in other words, beneficial). Some sociologists (e.g. Portes, 1998, Van Til and Williamson, 2001) have highlighted the fact that voluntary associations can have negative effects: for example, they can be based on very narrow self-interest, promote homophily, even support the rise of a Nazi regime (Satyanath et al., 2013) or employ methods that can be disadvantageous not only for the public good but also for public safety. For example, two political parties - the UKIP in the UK and Golden Dawn in Greece- both are by definition third sector organisations but are known for their racist and anti-immigrant sentiments, and in case of the Golden Dawn, are accused of racist violence (Ayiomamitis, 2015). Therefore, in order to obtain a balanced picture of effects of involvement in associations, this review also included, where available, theoretical developments and empirical evidence on the negative effects of associations.
4.1.4 **Lack of systematic reviews**

Despite the vast amount of literature that often contains inconsistent and contradictory findings, the systematic reviews of third sector impact are virtually non-existent, except for a systematic review of health effects of volunteering by Jenkinson et al. (2013). Systematic reviews of third sector impacts could be especially useful in current situation where the evidence of impact comes from a multitude of studies of a varied design and quality, but usually not from randomised trials, and is scattered in multiple fields. A systematic review is also well suited when the assessment of impact includes complex issues of multitude causality, unintended consequences, and when care must therefore be taken in drawing the link between particular outcomes at either the macro or micro level.

4.1.5 **Limited geographical coverage**

Furthermore, most of the studies on third sector impact have been conducted in a selected number of European countries, mainly in the UK, Netherlands, Germany, Norway, Belgium and Czech Republic. Taking into account that function and extent of third sector involvement vary by social and institutional context (Salamon and Anheier, 1999), this raises a question of how far the impact findings from these institutional settings can be generalised to other cultural contexts with a very recent history of democracy and volunteering, such as Southern Europe, Balkan or ex-soviet countries. In these countries the relationships between third sector and various impact domains might be different from the links found in Western European countries, as the study by Sivesing et al. (2012) demonstrates. Similarly Fung (2003)argues that the contribution of voluntary associations strongly depends on the political context of a society.

4.1.6 **Diversity in the sector**

Firstly, the task of systematising the impacts of voluntary associations is complicated by the fact that voluntary associations have different purposes. Nevertheless, there is a tendency in the literature to ignore the effects of this diversity of third sector organisations and involvement in them on impacts, and to make generalised claims about the general effects of third sector organisations as an abstract, homogenous group. Some of third sector organisations can be narrowly focused on the interests of their members, while others are orientated to the needs of the wider community. For example, third sector organisations such as sports clubs and hobby groups are mainly designed to provide immediate satisfaction for their members. In comparison, other third sector organisations such as political associations and environmental groups or organisations helping disadvantaged members of society also provide some satisfaction; however, their
main purpose is to bring changes in society or provide services (Salamon and Sokolowski, 2003). Therefore, different activities and organisations provide different impacts for different beneficiaries. The extent of involvement and type of involvement in associations (Babchuk and Edwards, 1965) also has a varied effects. Thus a ‘cheque book membership’ in or irregular attendance in a sports club is very unlikely to produce beneficial effects on individuals’ health as compared to active and regular involvement.

The findings presented in this literature review suggest that whenever possible, it should be taken into account that while, in general, third sector involvement in might be related to a particular outcome, some organisations or types of involvement may not produce this outcome or may even have a reverse effect. For example, voluntary associations undoubtedly play a significant role in enhancing democracy but some of them are doing it better while others engage in anti-democratic practises. Similarly, as Sivesind et al (2012) show – only volunteering for organisations not related to dominant power enhance social trust in an institutional context characterised by clientelism and corruption.

Consequently, instead of asking the question of what impacts does third sector or volunteering have, it would be more productive and informative to ask more specific questions of when, under which circumstances and how any of the impacts are produced while focusing on specific types of third sector organisations, activities, volunteers and paid staff. This does not necessary mean small scale studies – large national surveys or multi-case studies of, for example, advocacy organisations or organisations aiming to achieve a certain impact (e.g. improving public health) would still help to obtain a larger picture and make generalisations and policy recommendations. Such approach would also be superior over focusing only on the impacts that one or few particular organisations bring.

4.1.7 Community level impact

Finally, there is a need to identify what community (societal) level impacts voluntary organisations as a type of social institution can reasonably be expected to deliver and to improve the empirical evidence base for these impacts. For example, do communities which have higher density of young volunteers have lower rates of youth crime and unemployment?

4.2 Estimates for Europe or some European Countries
The focus of studies conducted so far has been on establishing whether a particular activity in third sector or third sector organisations do have one or another type of impact but not on estimating the impact size. An exception from this trend is a study by Fujiwara et al. (2013) in the UK which has estimated the value of volunteering using the British Household Panel Data. They have estimated that the monetary equivalent of the wellbeing derived from volunteering for an individual who volunteers is approximately £13,500 a year. In addition they estimated that not volunteering is related to a 1.9% reduction in life satisfaction.

5 Main Conclusions

This literature review has identified several overarching issues that characterised the state of knowledge in the field of third sector impact studies. These issues are important to bear in mind when interpreting the existing evidence and in future research.

*Inequalities in access and benefits: those who have shall be given even more*

The evidence suggests that third sector makes an important contribution; however, this contribution is not equally accessible or spread. The presence of voluntary associations is not an easy or straightforward solution for inequalities in participation and representation, or social integration problems, as their effects again vary between different social groups and types of voluntary associations. This literature review highlights that the reciprocal relationships discovered in some studies suggest that at the individual level the positive benefits of third sector involvement are available to those who are already better off than others. More specifically, individuals who already have better well-being and health, higher social trust are more likely to be involved in the third sector which, in turn, contributes to better health and well-being. Also, individuals and groups who have fewer resources or who are already less advantaged in society are less likely to become involved in voluntary associations to promote their interests, satisfy their needs, or make changes in policy favourable to them. Moreover, the effects of voluntary participation are gendered and can also vary by age, employment status, income, type of association, and type of involvement. In some cases, for particular groups involvement in voluntary associations can have negative consequences (Mitchell and La Gory, 2001).
Impact: often assumed, rarely demonstrated

Secondly this review also highlighted some overarching methodological issues plaguing third sector impact studies. Many studies have relied almost exclusively on analyses of cross-sectional or longitudinal panel data where volunteering and the impact have been measured simultaneously; randomised and controlled trials or carefully designed cohort studies, albeit possible, are non-existent. Although observational studies provide valuable empirical evidence that is an important link in a chain of causal reasoning, in many of these studies the causal relationships often have been assumed rather than demonstrated. Therefore, for many impacts before any policy and practice recommendations can be developed, more rigorous studies are needed in order. Until it happens, no firm conclusions can be drawn about the effects of volunteering in general on, for example, wellbeing and health.

Sector specific versus general impacts

This review highlights that in recent decades scholars have been increasingly paying their attention to unintended (latent) impacts of third sector – impacts that can and are delivered by many other social institutions, while research on manifest (intended) impacts that are specific or exclusive to the sector has been scarce. Yet with exception of voluntary organisations whose explicit purpose is to improve public wellbeing, health, employability, social integration and cohesion, many other social institutions might be better suited for these purposes than third sector organisations. Therefore there is an urgent need to refocus the research effort back on the impacts that third sector can be better suited to create than either public or private sector, such as providing individuals with an arena to exercise their freedom of association and enhance democracy.

Sociological Bias

As Portes has pointed out, ‘Indeed it is our sociological bias to see good things emerging out of sociability’ (1998, p.15). These sociological biases have been especially strong with regard to third sector organisations and activities, which have often been seen as entirely interested in the public good (e.g., see the definitions of voluntary associations by Van Til (2001)) or as having only purely beneficial effects, and not having any negative effects. However, as Merton (1967) has emphasised, a social activity or institution can also be dysfunctional, in other words- create problems, disrupt order or have other negative consequences. It is a mistake to assume that third sector organisations and involvement in them is always functional (in other words, beneficial). Some sociologists (e.g. Portes,
1998, Van Til and Williamson, 2001) have highlighted the fact that voluntary associations can have negative effects: for example, they can be based on very narrow self-interest, promote homophily, even support the rise of a Nazi regime (Satyanath et al., 2013) or employ methods that can be disadvantageous not only for the public good but also for public safety. For example, two political parties - the UKIP in the UK and Golden Dawn in Greece- both are by definition third sector organisations but are known for their racist and anti-immigrant sentiments, and in case of the Golden Dawn, are accused of racist violence (Ayiomamitis, 2015). Therefore, in order to obtain a balanced picture of effects of involvement in associations, this review also included, where available, theoretical developments and empirical evidence on the negative effects of associations.

**Lack of systematic reviews**

Despite the vast amount of literature that often contains inconsistent and contradictory findings, the systematic reviews of third sector impact are virtually non-existent, except for a systematic review of health effects of volunteering by Jenkinson et al (2013). Systematic reviews of third sector impacts could be especially useful in current situation where the evidence of impact comes from a multitude of studies of a varied design and quality, but usually not from randomised trials, and is scattered in multiple fields. A systematic review is also well suited when the assessment of impact includes complex issues of multitude causality, unintended consequences, and when care must therefore be taken in drawing the link between particular outcomes at either the macro or micro level.

**Limited geographical coverage**

Furthermore, most of the studies on third sector impact have been conducted in a selected number of European countries, mainly in the UK, Netherlands, Germany, Norway, Belgium and Czech Republic. Taking into account that function and extent of third sector involvement vary by social and institutional context (Salamon and Anheier, 1999), this raises a question of how far the impact findings from these institutional settings can be generalised to other cultural contexts with a very recent history of democracy and volunteering, such as Southern Europe, Balkan or ex-soviet countries. In these countries the relationships between third sector and various impact domains might be different from the links found in Western European countries, as the study by Sivesing et al. (2012) demonstrates. Similarly Fung (2003) argues that the contribution of voluntary associations strongly depends on the political context of a society.
Diversity in the sector

The task of systematising the impacts of voluntary associations is complicated by the fact that voluntary associations have different purposes. Nevertheless, there is a tendency in the literature to ignore the effects of this diversity of third sector organisations and involvement in them on impacts, and to make generalised claims about the general effects of third sector organisations as an abstract, homogenous group. Some of third sector organisations can be narrowly focused on the interests of their members, while others are orientated to the needs of the wider community. For example, third sector organisations such as sports clubs and hobby groups are mainly designed to provide immediate satisfaction for their members. In comparison, other third sector organisations such as political associations and environmental groups or organisations helping disadvantaged members of society also provide some satisfaction; however, their main purpose is to bring changes in society or provide services (Salamon and Sokolowski, 2003). Therefore, different activities and organisations provide different impacts for different beneficiaries. The extent of involvement and type of involvement in associations (Babchuk and Edwards, 1965) also has a varied effects. Thus a ‘cheque book membership’ in or irregular attendance in a sports club is very unlikely to produce beneficial effects on individuals’ health as compared to active and regular involvement.

The findings presented in this literature review suggest that whenever possible, it should be taken into account that while, in general, third sector involvement in might be related to a particular outcome, some organisations or types of involvement may not produce this outcome or may even have a reverse effect. For example, voluntary associations undoubtedly play a significant role in enhancing democracy but some of them are doing it better while others engage in anti-democratic practises. Similarly, as Sivesind et al (2012) show – only volunteering for organisations not related to dominant power enhance social trust in an institutional context characterised by clientelism and corruption.

Consequently, instead of asking the question of what impacts does third sector or volunteering have, it would be more productive and informative to ask more specific questions of when, under which circumstances and how any of the impacts are produced while focusing on specific types of third sector organisations, activities, volunteers and paid staff. This does not necessary mean small scale studies – large national surveys or multi-case studies of, for example, advocacy organisations or organisations aiming to achieve a certain impact (e.g. improving public health) would still help to obtain a larger
picture and make generalisations and policy recommendations. Such approach would also be superior over focusing only on the impacts that one or few particular organisations bring.

*Community level impact*

Finally, there is a need to identify what community (societal) level impacts voluntary organisations as a type of social institution can reasonably be expected to deliver and to improve the empirical evidence base for these impacts. For example, do communities which have higher density of young volunteers have lower rates of youth crime and unemployment?
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