

Griffins or Chameleons? Hybridity as a Permanent and Inevitable Characteristic of the Third Sector

Taco Brandsen, Wim van de Donk and Kim Putters

Tilburg School of Politics and Public Administration, Faculty of Law,
Tilburg University, the Netherlands

Abstract: The term “third sector” is increasingly used, but it is also increasingly difficult to define. It is characterized by fragmentation, fuzziness, and constant change. Furthermore, the bordering domains of community, market, and state are equally difficult to define and are becoming more blurred. One may have to accept that hybridity and change are permanent features of the organizations and arrangements involved. They could be classified not with reference to the structural characteristics of abstract domains but on the basis of how they cope with conditions of hybridity and change. The search for a valid empirical definition of the third sector, however modestly ambitious, must focus on the fringes of the domain where the “hard cases” can be found—the phenomena that are most difficult to identify and therefore most likely to reveal what is essential to the different domains.

Keywords: third sector, nonprofit sector, definition, research strategy, hybridity

“My purpose is to tell of bodies which have been transformed into shapes of a different kind. You, heavenly powers, since you were responsible for those changes, as for all else, look favourably on my attempts, and spin an unbroken thread of verse, from the earliest beginnings of the world’s, down to my own times.” ^[1]

INTRODUCTION

There are an increasing number of fora and publications focused on the notion of a “third” domain between community, market, and state, under a variety of related and overlapping labels such as “the nonprofit sector,” “civil society,”

Address correspondence to Taco Brandsen, Tilburg School of Politics and Public Administration, Faculty of Law, Tilburg University, PO Box 90153, 5000 LE, Tilburg, the Netherlands; Fax: +31134668149; E-mail: t.brandsen@uvt.nl

“*économie sociale*,” “the third sector,” and so forth.^[2] Here we will use what is possibly the vaguest term, “the third sector,” which seems to embrace all the others. At present it is an unsatisfactory concept, meaning no more than something *other than* community, state, or market. This type of description gives rise to problems when applied empirically.

Research shows the third sector to be many things (private *nonprofit* or *non-government* organizations, social movements, volunteer groups, cooperatives, etc.) that seem to have little else in common other than what they are *not*. Hybrid forms, that is, those that mix elements from these idealtypical domains, are increasingly prevalent throughout society. There is evidence of increasing boundary problems between the third sector and the surrounding domains of market, state, and community. These boundary problems are not just of an empirical, but also of a conceptual nature. The concept of a third sector is based on idealtypical, simple notions of state, market, and community, when research focusing on these areas increasingly reveals them to be just as problematic as the third sector label.

In light of these concerns, one has to wonder whether the perspective of sectors or domains is not an unsatisfactory one all together. In this paper, we propose research strategies that may be more helpful in clarifying what constitutes the essence of the third sector. Our aim is not to posit yet another definition, but to work towards a new conceptual basis—although this is necessarily a long-term effort. At the core of our approach is the notion of *hybridity*. Hybridity refers to heterogeneous arrangements, characterized by mixtures of pure and incongruous origins, (ideal)types, “cultures,” “coordination mechanisms,” “rationalities,” or “action logics.” The notion of hybridity has its origins in biology, where it refers to the more or less stable mixture of different species. In the administrative history of the Netherlands and other European countries one can find many examples of hybrid arrangements, in the fields of health care, social housing, education, and other domains of the modern welfare state.^[3] These combine, for instance, elements usually characterized as public and elements generally associated with market logic. Empirically speaking, it appears far easier to find arrangements that are hybrid or “fuzzy” arrangements than those approximating idealtypical notions.

Boundary problems, fuzziness, and changeability may in fact be a defining characteristic of the third sector (and perhaps a feature of society more generally). It is on this footing, perhaps, that a new typology of organizations could be established. They could be classified not with reference to the structural characteristics of abstract domains but on the basis of how they cope with hybridity and change. The challenges for third sector researchers would be to prove that there is a specific “third sector” way of coping with these conditions, and to analyze where this comes from. If distinct third-sector coping strategies can be identified (although one must accept that this may not be possible) then these could, for instance, be related to the characteristics of the products and services these organizations provide.

THE THIRD SECTOR AS A “MISCELLANEOUS AND FUZZY SECTOR” AMIDST COMMUNITIES, MARKETS, AND THE STATE

Many authors have tried to develop a typology of organizations that can be found in the “third sector.”^[4-12] De Tocqueville already noted that such a typology would be very difficult to develop.^[13] More recently, Kendall and Knapp have characterized this sector as a “loose and baggy monster,”^[14] while Salamon speaks of it as a “hidden subcontinent of enormous size and complexity.”^[15] Frumkin speaks of the “contested arena” between state and market where public and private concerns meet and where individual and social efforts are united, a sector at once a visible and compelling force in society and an “elusive mass of contradictions.”^[16] Levitt once characterized it as an “enormous residuum,” filled with a “bewildering variety” of organizations that only share their exclusion from the domains of the state and the market. Third-sector organizations are involved in activities that: “business and government are either not doing, not doing well, or not doing often enough.”^[17] This image of a “sector of leftovers” dominates the contemporary literature of nonprofit organizations and is in many respects unsatisfactory.⁽¹⁸⁾

There have been attempts to develop a more “positive” approach to the third sector, claiming there is more to say about third sector organizations than what they are not. Building on earlier work, van de Donk has analytically reconstructed the third sector in terms of three dimensions.^[5] It can be described as a domain in society comprising organizations that are private (not belonging to the state), nonprofit (not distributing the profits to economic owners as market organizations do), and formal (in contrast to more informal networks of families and communities, although the former may originate in the latter). Within such a conceptualization, the “third sector” is a hybrid domain amidst the three idealtypical or “pure” domains of society (that is, organizations in this sector emerge as hybrid types between the pure actors we know as bureaucracies, enterprises, and families or clans).

The assumption underlying the typology is that organizations in the sector are all in one way or another *caring* organizations, providing services or goods with a “dual” public (collective) and private (individual) nature. Care for others on a voluntary basis, directed at a more or less defined and exclusive “other,” is regarded as their common denominator. Within the class of organizations that share this element, various analytical types can be distinguished. At the center of Figure 1 the quadrants A, B, C, and D refer to four types of third-sector organizations that care either for a case or a cause.

The first type (A) comprises organizations where caring for others concerns “the indirect other,” for example, the environmental movement, which is strongly motivated by the ideal of safeguarding our natural habitat for future generations. These organizations often operate near the political domain, since they mostly (though not always) attempt to use the political procedures and

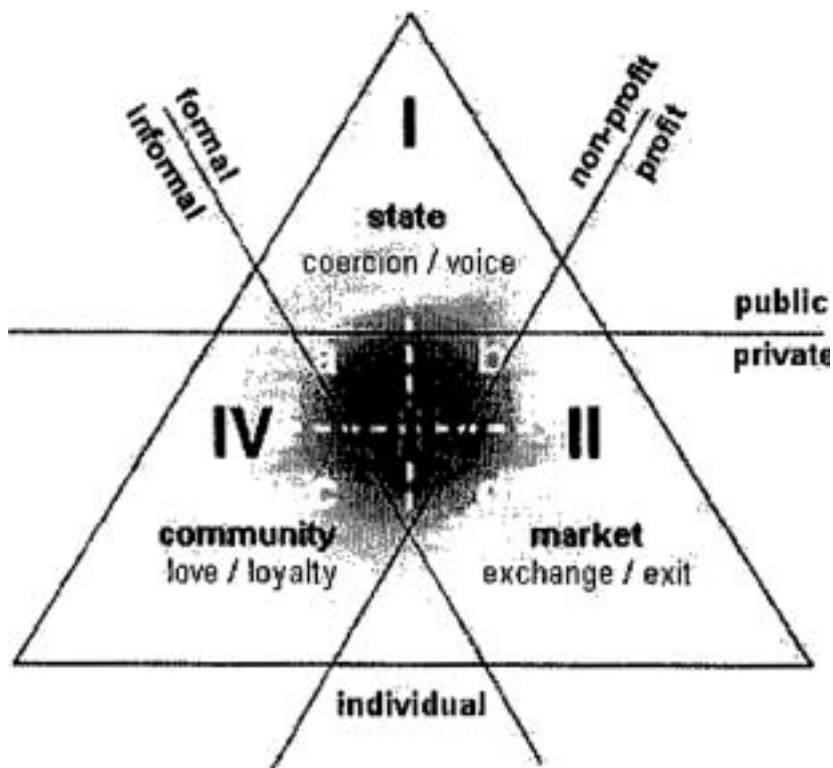


Figure 1. Four types of third-sector organizations.^[20]

mechanisms of the state to realize their ideals and objectives (e.g., NGO's in developing countries offering both advocacy and practical aid). The second type (B) is also found in the part of the third sector close to the political system. These are organizations like unions and umbrella organizations that care for more tangible "others," representing the interests of their members. They engage in all sorts of activities in order to serve their member organizations, such as lobbying, the production of rules and codes, member services and the formation of identity.

The lower left quadrant of the circle (C) comprises those organizations providing care within communities. They often originate in families or personal networks and operate in open or closed communities, such as neighborhoods or companions in misfortune. Usually these are less formalized than the other types, maintaining their grassroots character. Organizations in the lower right quadrant (D) are characterized by higher degrees of professionalism and a range of clients/beneficiaries beyond the communities from which they sprang (e.g., local mutual forms of insurance). Not surprisingly, these are

closer to the market domain, as they often provide forms of care also provided by market enterprises.

This conceptualization of the third sector allows for segmentation, allowing, among other things, a more specific distinction between “social capital enhancing” groups and organizations (related to the notion of “civil society”) and other actors that tend to be classified as third sector. However, this segmentation should not be interpreted too strictly. The dotted lines that separate the four quadrants suggest that the four types of third sector organizations or associations mentioned above are no more than idealtypes. The distinctions between the domains and quadrants can in practice be characterized as fuzzy, which poses a further problem to the notion of a “third sector.”

What is perhaps confusing in relation to the term “third sector” is the existence of *three* other domains. This is because families, households, and other types of informal communities are usually lumped together with third-sector organizations, whereas market and state organizations are recognized as belonging to alternative domains. While the difference is gradual (as it is with the other domains), it is important to distinguish between small, primary social units (such as families) and larger, more organized units (such as voluntary groups). The latter may operate on the basis of care and trust, but are not based primarily on close relationships between people who individually love and cherish one another. Strictly speaking, we would have to identify a “fourth sector.” In order not to add to the confusion, we will continue to make use of the “third sector” term, keeping in mind that is somewhat misleading.

CHANGE AND TRANSITION IN THE THIRD SECTOR

While such a positive definition of the third sector is to some extent clarifying, it is faced with the problem that there are shifts between the quadrants and domains, which come in a variety of forms. “The lines delimiting the sector have frequently been subject to challenge and revision, as funds and responsibilities have shifted back and forth among business, nonprofit, and government organizations. Reaching consensus on the very definition of nonprofit and voluntary sector is difficult because many of the core features and activities of nonprofits increasingly overlap and compete with those of business and government.”^[16]

To begin with, the mechanisms that determine the dynamics within the quadrants and domains appear to be shifting to other quadrants and domains, making it hard to say what it means to be in one segment or another. The market idealtypically organizes cooperation and the allocation of goods and services by means of competition (based on the exit mechanism); the state typically relies on hierarchy and other coercive forms of authority (held in check by the mechanism of voice), and community is associated with care and

altruism (which, forcing Hirschman's scheme a bit, could be related to the notion of loyalty). Yet many services and goods provided by third-sector organizations appear to be coordinated by a mixture of exit *and* voice *and* loyalty.^[23] This is why many organizations and governance systems found in the third sector are hybrids that defy the "pure" coordination mechanisms of the textbooks.

Salamon identifies three causes for such crossovers^[15]: 1) Changes from "below" (bottom-up), initiated by organizations and individuals undertaking activities in order to strengthen their position in claiming certain goods and rights; 2) incentives from the outside—professional and voluntary activities are encouraged by churches or humanitarian, social, or ideological groups and/or governments supporting those activities (e.g., subsidizing them) in order to promote a sense of community and individual responsibility; and 3) support from above—governments encouraging public–private partnerships and hybridity in order to provide public goods more responsively and efficiently. Another potential cause of change is the "logic of provision," the requirement and options generated by the technical characteristics of goods and services.^[24] For instance, information asymmetries related to health care services, often named as a reason for its present mode of nongovernment or nonprofit form of organization, are changing because of the potential of information technology.

Partly as a result of such dynamics, (elements of these) organizations shift between quadrants and domains. They appear to do so at an increasing rate, making it hard to pin them down permanently within one of the domains or quadrants. Well-known examples are charities that have evolved from informal groups selling goods to pay their bills to professional organizations competing with commercial companies. In an absolute sense, there is of course nothing new about fuzziness, especially not in Continental Europe. However, in recent times, more and more actors have appeared to end up in these hybrid, fuzzy quadrants. Consequently, not only is the third sector divided into many segments, but these segments are also increasingly dynamic and hybridic, to the point that the distinctions between them are of diminishing significance in an empirical sense. If anything, change and metamorphosis characterize the current third sector. This, perhaps more so than static characteristics, must be regarded as one of its distinguishing features.

THE INTANGIBILITY OF COMMUNITY, MARKET, AND STATE

As border markers, the three domains of market, state, and community are themselves part of the third sector's identity. If the third sector is what community, market, and state are not, what are they exactly? But this, too, is not easy to define.

Market

The market domain is increasingly difficult to pin down. The prevailing image of markets (and the behavior of the idealtypical actor in this domain, the commercial firm) is based on neoclassical economics, an approach that still dominates economic studies and has informed many state policies of the 1980s and 1990s. This approach is based on a number of assumptions: that direct social relationships between actors are nonexistent or irrelevant, as the interaction between actors is coordinated by the aggregate relation of supply to demand; that actors are rational only in an instrumental sense, maximizing their own utility; and that their preferences are stable and exogenous.^[25] The approach also assumes that these conditions are universal and unchanging (in other words, applicable to every single market). Defined so specifically, the market is indeed a domain that is clearly distinct from the rest of society. But must such assumptions be accepted as realistic markers for identifying different empirical domains? The image of markets presented by neoclassical economic approach has been vigorously criticized at a fundamental level, especially by economic sociologists.^[26] The gist of such criticism is that actual markets are not so very different from other social spheres.

Activities on real markets, like any social action, are embedded in a historically and geographically specific context rather than a universal void. Markets vary widely in terms of product characteristics, regulatory regimes, and cultural conceptions.^[28,29] For instance, the logic of the housing market, with its limited mobility of supply and demand, differs dramatically from, for example, the salt market because of the nature of the product in question. Some markets are subject to a relatively light legal regime, while others (especially where public services are concerned) are strongly regulated. For some goods that are potential commodities, such as women and children, the market mechanism is not generally considered the appropriate coordination mechanism. The standards for what is considered “good performance” differ between markets and over time (a phenomenon beautifully revealed in Fligstein’s *The Transformation of Corporate Control*). In short, the variety between markets is astounding, making it hard to capture them within a simple model.

The implication is that, unlike what the idealtypical image of the market suggests, actors are not related only through aggregate supply and demand.^[30] Research shows that other mechanisms of coordination are at work within markets, including those generally associated with the other domains.^[33] Granovetter, for instance, has highlighted the role of social networks in the job market.^[34] In the relations between large companies and their networks of suppliers, there is often a strong element of coercion.^[35] Fligstein’s previously mentioned study shows how large American firms effectively imposed cognitive conceptions of what is proper market behavior (e.g., the basis of competition) on smaller firms. Indeed, there are even elements of loyalty in family-based

cross-national networks of small business as studied in South East Asia.^[36] In other words, the intrusion of seemingly alien mechanisms within the third sector also appears to be a feature of the market—which calls into question whether these are really alien mechanisms or, alternatively, the notion of a single dominating type of coordination was too simple in the first place. While supply and demand relations are an important variable, the market embraces a more complex constellation of mechanisms.

This raises the interesting question whether there is such a thing as a market *rationality* in social behavior, comparable to the caring element associated with the third sector. In the second chapter of *Wirtschaft und Gesellschaft*, Max Weber attempts to identify a distinct, formal type of market rationality that can exist within a specific institutional context, including the development of a rationalized state and legal system.^[37] However, the diversity of contexts, actors, and mechanisms involved in market transactions may prevent such a rational, impersonal market rationality from ever existing in practice.^[38] One could speculate that this is especially unlikely in an economy increasingly dominated by services rather than (industrial) goods. Be that as it may, the doubt surrounding the nature of the market domain makes it less useful for (negatively) identifying the third sector.

State

Similar problems relate to the domain of the state. The idealtypical image of the (actors in the domain of the) state is less well-defined than that of the market, but it is often treated as a single entity, relying on the mechanism of coercion, its powers only tempered by different types of coercion (e.g., the combination of hierarchy and formal rules within bureaucratic organizations). One could level similar arguments against this concept as against the idealtypical market: it is more varied than the monolithic notion of “the state” would suggest, and there are different mechanisms at work in coordinating the actions of its components.

In public administration research, notions of the state as a single entity have long been disproven. Such a concept may be useful in political philosophy, but in practice there is no such thing as the state. There are numerous policy areas focused on widely different services such as health care, social security, infrastructure, development aid, and education. Each area contains a wide variety of organizations of different shapes and sizes, with different formal powers, capacities, cultures, and histories. These can all be characterized as state, but it tells us little about what they do and how they do it. In addition, it is increasingly recognized that analytical policy cycles are empirically difficult to distinguish. Wilson’s classic essay suggested a distinction between politics and administration, but others such as Weber convincingly demonstrated the inherently political nature of administrative agencies.^[37,39] Nor is it feasible

to envisage too sharp a separation between decision-making and implementation, as much of the substance of policy is actually created “on the ground,” by the agencies and individual officials who are in direct contact with citizens.^[40] From this perspective, organizations involved in implementation (including nonprofits and businesses) could be regarded as components of the state apparatus, although most of these actors themselves would never agree to such a definition. The (postwar) drive to involve nonprofits and commercial businesses in the implementation of public policy has made the boundaries of the state distinctly fuzzy. “The thread of governance runs through all the web of social life in varying forms, in varying units.”^[41]

Empirically, the division between the public and private domains appears clearer within Anglo-Saxon countries, where there is a stronger public/private distinction, with residual and strictly public services. In Continental Europe it has never been so clear-cut, as nonprofits have from early times on been involved in the public services. In addition, there is a long corporatist tradition, involving representative associations (particularly trade unions and employers’ associations) in economic and social policymaking. It has not been uncommon to delegate major aspects of political decision-making and even supervision over implementation to such actors. This makes the boundary problem more acute in the Continental context, although it is to some extent typical of all states.^[42]

Even within what are usually considered unambiguous parts of the state (e.g., ministries) there are various mechanisms of coordination at work. An obvious example is the significance of personal networks among public officials and between officials and politicians.^[43] In many societies, such networks, informal communities such as family or tribal ties, are of key importance in explaining how state policy is shaped. One would have to have a very naïve image of government to believe that this does not affect policymaking. Some have analyzed bureaucratic politics on the basis of market models, framing the actions of officials in terms of a budget-maximizing function.^[44] While one should not stretch such economic models too far, there is ample evidence to indicate that government departments compete among themselves for scarce resources.

Community

In sociology, communities are normally defined as primary groups: a community is a small social group whose members share personal and enduring relationships.^[45] Most of the time, this sphere is seen as consisting of families and friends, but tightly-knit neighborhoods and other informal groups could also be seen as part of this domain.^[46] Communities are associated with forms of coordination in the context of what are usually closed and small groups, locally based and relying on intense, long-term and face-to-face contacts that tend to involve a

broad set of activities. Bonds of love and strong loyalty are the idealtypical mechanisms of “social coordination” in this domain. As Pessers puts it: in the domain of community, it is not the “do ut des” [I give that you may give] that regulates social interaction, but the “do quia mihi datum est.” [I give because much is given to me.]^[47] Caring for each other is a matter of affective reciprocity.

Although community is less of an abstraction than market or state, one must nevertheless guard against interpreting it as a unitary and clearly bounded domain. Communities have in practice taken many forms, depending on culture and historical circumstances. In addition, there have been social developments (e.g., individualization, increased mobility) that have contributed to the fragmentation of traditional communities. These have been widely studied as part of the more general context of modernization processes and hardly need elaboration here. Recently, the growing use of the Internet has given rise to all kinds of virtual communities that transcend the local context in which communities traditionally operate. In addition, mechanisms associated with market and state have increasingly penetrated the community domain. The proliferation of government policies and programs in particular has meant that many community groups have gone through a process of professionalization and formalization, bringing them closer to the organizational domains of market and state.^[5] Even in the family sphere, the ancient bulwark of intimacy, the boundaries are becoming less clear. For instance, one can increasingly see elements of market logic penetrating this domain as a consequence of the introduction of individualized vouchers for health care or education services. More generally, developments in the welfare state often have a direct influence on relationships within families and on the scope of informal care provided by family members.^[48] All in all, community as a domain is also difficult to demarcate, though arguably less so than market and state.

CONCLUSION

The third sector may be hybrid, fuzzy, and miscellaneous, but so are the other domains and the actors we find there. While one could identify segments (actors) that are closer to the idealtypes, there are similar problems of fragmentation, unclear boundaries, dynamics, and mixed coordination mechanisms. It makes the third sector itself even harder to describe. All this leads us to the question whether it is at all useful to keep looking for a satisfying definition for a (third) “sector,” an issue that will be discussed here.

Hybridity as an inevitable and permanent characteristic

In light of these difficulties in defining the third sector, one must be open to other, more radical options. It is questionable whether further, more refined

typologies based on structural characteristics of domains and organizations could do justice to the developments that we are currently seeing. A more satisfactory conceptualization will have to incorporate these problems into itself. So far, the increasingly hybrid and changeable nature of organizations and arrangements in the three domains has been treated as a complication that frustrates presently dominant analytical concepts. Alternatively, it could be regarded as a *feature* of these organizations and arrangements. There is no reason to believe that the different domains will empirically move closer to their idealtypical representations; quite the reverse. If this is the case, then perhaps the fuzziness is not fuzzy at all; it is not the fog that obscures our vision, but the very thing we have been trying to discern.

This calls for a different perception of hybridity, one that makes the term rather awkward: we must speak of new forms in an old tongue. In Ovid's *Metamorphoses*, life forms continuously evolve into one another, with permanent and nonlinear change as the pervading theme of the narrative. There has been discussion as to whether the philosophical vision behind the verse (supposing there is one) emphasizes the changeability and intangibility of form—which would make it a classic piece of postmodernism—or whether it implicitly celebrates the unchanging essence that passes between different physical forms. Both interpretations seem plausible enough, though they may in fact not be in opposition. What makes Arachne's transformation from woman to spider such a striking image is that, despite the change of shape, her essential quality as a weaver remains. One aspect of her has remained constant where others have changed, but we only define the weaving as an essential aspect because it was central to the current institutional context, a weaving contest. In other words, whether one regards the metamorphosis as an embodiment of change or permanence is really a question of focus.

The metamorphosis metaphor is a compelling one, but what we suggest here in relation to hybridity is something different: the permanence does not exist in spite of the change, and vice versa, but it exists *in* it.

The griffin and the chameleon

This point can, as is often the case, best be illustrated with reference to animals. Let us consider two creatures, the griffin and the chameleon. The griffin is a mythical beast with the head, forepart, and wings of an eagle, and the body, hind legs and tail of a lion. It is a fantastic creature that can only be described in terms of its constituent parts, which by implication means that it has no clearly defined identity of its own. In Platonian terms, there is no "idea" of a griffin. In our own terms, it is a hybrid creature. Let us next consider the chameleon. This, too, is a strange animal. Never mind its whip-like tongue, or its odd gait—it changes color. It is popularly known as an animal that adapts itself to its environment, blending in seamlessly with its surroundings.

Sometimes it is as green like a frog, sometimes red like a fox, occasionally as black as a black rabbit, yet no one would suggest that it is constituted by those animals. It is nothing more or less than a chameleon. We accept its hybrid nature as its own, as a key part of its identity—unusual, perhaps, but not a freak accident. We may have to do the same for many organizations and arrangements that we find difficult to identify on the basis of traditional concepts: accept and understand them as they are, not in terms of static idealtypes.

The implication is that a new classification of the third sector would be based on other dimensions than was previously the case. Just as the chameleon is identified by its strategy of changing color, so hybrid organizations could be classified by their strategies, as methods of adaptation to conflicting demands. Accordingly, if there are demands from multiple environments (or multiple demands from the one environment), the strategy will be aimed at reconciling those demands. Management will be a balancing act, and various solutions may be explored. In practical terms this can take the shape, for instance, of loosely coupling different organizational units so that each can meet a different demand or attracting managers with particular personal profiles.^[49,50] Different forms of reconciliation could serve as the basis of new classifications, in which organizations and groups would be defined not so much by static formal characteristics or motives as by their ways of coping with tensions and contradictions. Classifications should also be possible at higher level of aggregation, such as the level of governance arrangements in a specific policy area. Hybrid arrangements, such as quasi-markets, attempt to combine elements from the market, state, and nonprofit domains through a variety of combinations, some of them more successful at resolving tensions between these elements than others.^[25]

The essence of the third sector

What of the third sector, in such a conceptualization? It is an empirical question how approaches to coping with change and multiplicity are related to (segments of) the third sector. There will probably be at least a partial overlap between the “old” and “new” categories. But one would have to be specific as to the nature of this connection. The question is to what extent third sector organisations are characterized by specific ways of coping with hybridity and change. In other words, is there a specific “third sector” rationality? A common view of third sector organizations (which also underlies the previously described typology by Van de Donk) is that they are all in one way or another *caring* organizations, providing services or goods with a “dual” public (collective) and private (individual) nature. Intuitively, this makes sense: the desire to work not-for-profit, voluntarily, and/or for a better society seems fundamental to any definition of a third sector.^[16] The (notion of) voluntary care is generally inspired by values such as solidarity, responsibility, dignity, justice,

and the recognition of mutual dependence. However, in practice this caring feature can be difficult to pin down, as different types of motives are usually mixed, or could be construed as purely self-interested. Is it a type of substantive rationality, or just a particular kind of formal rationality, or does this distinction make no sense?

If there is a specific third-sector rationality, one must also be able to determine how and why it originates. There may be only particular institutional contexts within which such a rationality can exist. A third sector rationality may (also) derive from the characteristics of the goods and services, the logic of provision.^[24] Each good and service has particular characteristics, whether technological or cultural, that may favor one type of approach or the other. If there is indeed a typical third-sector rationality, which could be fostered under certain institutional conditions, then one could hypothesize that it combines more successfully with some products and services than others. Indeed, one could conceive of a dialectical relationship between the institutional logic and the logic of provision and delivery. Changes in the logic of provision may put pressure on the broader institutional setting in which these organizations operate. For example, the caring element involved in medical and personal services may encourage arrangements that involve third-sector provision.

It is also possible—and one must be open to the possibility—that no typical third-sector rationality as such can be identified in what organizations actually do. In that case, it might be more appropriate to think of the third sector as a central area of society wherein tensions between competing values and methods of coordination are exacerbated or resolved, in a more or less complex portfolio that inevitably has to combine the various rationalities and mechanisms relevant for the production of social services and goods. There will be no fundamental distinction between what we intuitively regard as third-sector organizations and those organizations that we regard as state or market. Such a message might not receive a warm welcome among political and scientific advocates of the third sector, but if there is no empirical basis to prove otherwise, this is what we must necessarily conclude.

Adopting an open research strategy

It is likely (we believe) that there is such thing as a specific third sector approach to hybridity and change, an approach that sets it apart as a distinctive category of organizations. However, if this is to be proven, it will be as much the outcome of the empirical process as its starting-point. At present, third sector research often focuses on a number of “hardcore” actors (e.g., local volunteer groups) that appear to embody the “caring” approach, and to a lesser extent actors that are intuitively third sector, but on the fringe (social entrepreneurs, charities operating on markets, bureaucratized nonprofits). This situation

is quite similar to research on states and markets, which also tends to focus on the actors that appear to be closest to the idealtypes, like government departments. While such movement within discrete scientific and political spaces has its own merits, it is not the most fruitful avenue for bringing out the essence of the third sector. It is not the “safe” core cases that are interesting for this purpose, but the fuzziest cases, those that can be found on the fringes of the domain. Rather than attempting to carve a specific niche, with clear boundaries, it may be more effective to search out the border areas and make them as problematic as possible.

In terms of research strategy, we should not study easily identifiable cases, but instead look where the tension between the logics of the different domains is expected to be highest. The strategy should be one of treading into the no-man's land between the domains and challenging commonly held notions about where the boundaries are. This, of course, exposes one to the risks of being shot at from one of the surrounding scientific camps, or of treading on conceptual and methodological landmines. However, it would arguably make third sector research a more interesting field for social science and public administration at large: rather than a residual category, it would become central to understanding the interplay of institutional constellations in society, as well as a fruitful meeting ground for various disciplines.

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18. It has been claimed that the notion of a “third” or “independent” sector is a political construction, a post-hoc attribution regarding a sphere in society that needed recognition (along with legal and fiscal privileges) from the political domain. Indeed, one of the first research programs in the US (the Program on Non-Profit Organizations, PONPO, started in 1975 by Kingman Brewster, Charles Lindblom, and John Simon) was fueled by concerns about the growing influence of state authorities. It was also related to the report of the influential Filer Commission, initiated by J.D. Rockefeller III, in reaction to changes in US fiscal policies in 1969 that incurred the displeasure of the sector.^[9,19]
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20. This figure was developed on the basis of earlier work by Zijdeveld and Pestoff.^[21,22]
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26. In making critical remarks, one must make allowance for the fact that many assumptions of economic theory regarding the behavior of actors are made for methodological purposes and do not claim to represent empirical reality as it is. Economic theory of this type seeks to understand outcomes at the aggregate (market) level and not the dynamics of individual transactions. Also, to suggest that all economists share the same assumptions and methods would be nothing short of ludicrous. As Bourdieu has noted, economics is like a hydra—chop off one head and another appears immediately. Critics will inevitably face the charge of being ignorant or unjust. In particular, one must take account of developments in branches such as transaction cost economics and historical economics^[27].
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30. If they were, a great number of problems would arise. For instance, nothing could account for the basic order that must exist if markets are to function properly. Why do actors not all resort to crime to satisfy their interests? In Hobbes' classic account of the "state of nature," this problem is solved by complete surrender to hierarchical authority. In the neoclassical approach to markets, it results in total submission to the laws of supply and demand. In that sense, undersocialization and oversocialization are two sides of the same coin^[31,32].
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 46. One could label community as the fourth sector, but historically (not to mention emotionally) speaking, this would sound strange, as most of the functions now provided by nonprofit organizations, bureaucracies, or markets used to be fulfilled in the context of informal communities, households, and families. In effect, one could easily speak of them as the first sector.
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