IVAR

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The Changing Relationship between Business and Third Sector Organisations: Challenges for Research

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Introduction

- **Sad not to be present in person today and particularly sorry not to be present to celebrate Benny's outstanding contributions to the field of third sector research – in Israel and internationally**

- **Hagai's challenge to the panel – to look at the implications for the third sector research agenda of the shifting nature of the sector and the blurring of boundaries with other sectors**

- **Within this theme, my task is to look particularly at the research implications of the blurring of boundaries between the business and third sectors**

This presentation

- I will leave aside for the moment the question about *whether* the boundaries of the sectors are blurring in the way the panel title assumes - although I will return to the question at the end

- I will assume for the moment that it is *true* that the boundaries between the business and third sectors are blurring and simply try to examine the research implications

- Will suggest three key research challenges around:

1. Collection of descriptive and analytical data
2. Inter-disciplinary dialogue
3. Developing theories and concepts

Challenge One: Collecting Descriptive and Analytical Data

We need a research-based body of descriptive and analytical data about what is happening - and has been happening - at the border between business and the third sector – in individual countries and internationally

Collecting Descriptive and Analytical Data (1)

- **Third sector (TSO) and government relationships have been studied and theorised but little interest to date in the TSO/business relationship *from TS scholars or from a TS perspective***

- **Yet growing interest from policy makers and businesses in concepts such as 'corporate philanthropy', 'social responsibility', 'social investment' and 'CSR'.**

- **We know anecdotally that i*mplementation* of these concepts in practice often involves 'partnerships' across the business/third sector boundaries**

Collecting Descriptive and Analytical Data (2)

Examples of CSR implementation involving TSOs

- **Donations direct to TSOs**
- **Donations *via* TSOs**
- **Encouraging customer donations to TSOs**
- **Forcing customer donations to TSOs**
- **Facilitating employee volunteering or fundraising for TSOs**
- **Seconding staff to work in TSOs**
- **Seeking advice from specialist TSOs**
- **Sponsoring events**
- **Cause-related marketing**
- **Strategic alliances with TSOs**

Collecting Descriptive and Analytical Data (3)

These kinds of relationships are:

- **Widely observable**

- **Widely reported in the general media ('feel good' stories)**

- **Criticised by commentators concerned about the intrusion of the corporate world into welfare provision and everyday life (eg Edwards, 2008). Also concern about exploitation of TSOs by for-profit interests**

- ***Barely studied by TS scholars***

So we need

- **case studies which look at these relationships from the perspective of the TSOs involved**

- **Surveys to uncover mutual expectations and the extent to which they are met**

- **To consider implications of our findings for TSOs and public policy**

Challenge Two: Inter-Disciplinary Dialogue

We need to engage in collegiate dialogue with scholars of business and management, especially those focusing on business ethics and corporate social responsibility (CSR)

Inter-Disciplinary Dialogue

- **TS scholars would benefit from understanding the drivers for business social responsibility and for business involvement with TSOs**

- **Academics and practitioners of business could benefit from being introduced to TS scholarship – especially about distinctive features and founding of TSOs and impact of external funding on TSOs**

- **Scholars in both fields could look together at ways in which the motivation to make money can be interlinked with the motivation to build the 'good society' or 'civil society'. An area in which both TS and business scholars have an interest.**

Challenge Three: Developing Theories and Concepts for our Field

We need to pay attention to the development of concepts and theories for the study and understanding of business/third sector relationship; ones which can frame this 'borderlands' research area and help us to explain our empirical findings

Developing Theories and Concepts for our Field

- **We need to look at the scope for developing and testing existing relevant theories eg on the impact of external funding on TSOs; on inter-organisational collaboration; and on the distinctive historical and organisational roots of TSOs**

- **Business studies may provide useful insights eg theories about stakeholders; cultural differences; marketing; and external regulation**

- **We need to revisit the corpus of civil society theories. Many are underpinned by ideas about separation of 'the market' from civil society. Is a clear distinction between them still necessary for a healthy polity and a good society? If so, what are the implications for encouraging close links between business and TSOs?**

In Conclusion

I would like to return briefly to the question that Hagai did *not* ask me to address – the question that lies behind the question he *did* ask:

Is it true that the boundaries between the business and third sectors are blurring?

Blurred Boundaries?

- **Many TS scholars *assume* that the boundaries of the TS are shifting and that the boundaries with other sectors are blurring – that distinctions and boundaries are breaking down (Salamon's 'marble cake' metaphor)**

- **Research confirms that there are numerous environmental factors pushing TSOs into closer collaborations with business and government (Harris).**

- **Also evidence of new organisational forms or hybrids which have characteristics of more than one sector (Evers and Laville, Billis, Gidron and Yogev)**

- **But collaboration and hybridity are not the same thing as *dissolving of distinctions* (as implied by the term 'blurring')**

- **Whether the boundaries between sectors are dissolving is a question which requires empirical investigation using careful working definitions – a part of the first research challenge I mentioned earlier**

Defending Sectoral Boundaries?

- **Equally important is the theoretical and ideological challenge of considering whether a blurring of boundaries between the business and third sectors is something to be welcomed - or something to be fought against.**

- **The metaphor of blurring boundaries may seem attractive but it needs to be subject to rigorous empirical investigation and theoretical debate. It does not have the status of taken-for-granted knowledge.**

- **Perhaps we should ask ourselves why it is that some politicians and business leaders are so keen to minimise the distinction between business and third sector approaches to meeting human needs**

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