

Paper on the Third Sector in Ireland

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Section A: Defining the Third Sector in Ireland

The Irish Government is a White Paper entitled Supporting Voluntary Activity, which was published in 2000, defined the third sector as the voluntary and community sector, viz:

This sector is sometimes seen as comprising two discrete subsections – a Community sector and a Voluntary sector. This reflects the historical development of the sector, including distinct philosophical origins. The roots of the voluntary sector can be traced back to the charitable and philanthropic organizations- many church-based – of the eighteenth century. The voluntary sector is the larger of the two, with a focus often on service delivery and a greater reliance on charitable donations and fund raising. Many voluntary sector organizations are major service providers, particularly in the fields of health, disability and services for the elderly. Community sector groups tend, on the other hand, to be smaller in scale and focus on responses to issues within a given community (geographical or interest based) and often with a social inclusion ethos.

In practice, the two suggested subsections represent opposite ends of a continuum and many organizations combine features of both. Just as many large voluntary sector service providers have a strong advocacy role, so many community groups deliver practical services (e.g. childcare) in their local areas. (White Paper, 2000: 48).

The practice of volunteering or active citizenship in civil society is viewed as a democratic imperative in Ireland. A state body, Comhairle (formerly the National Social Services Board) and the Combat Poverty Agency co-ordinate the voluntary and community sector – third sector. The Community and Voluntary Pillar is part of the national partnership process that determines economic and social policy in Ireland. The White Paper (2000: 13) defines the relationship between the third sector (i.e. community and voluntary sector) and the State:

The goal of the relationship between the State and the Community and Voluntary sector is to achieve the common aims of both sectors, while respecting the separate roles and responsibilities of each and acknowledging the difference between consultation, negotiation and decision-making. Both flexibility and realism are required.

Section B: National Scenarios

(i) History and Origins of the Third Sector

Ireland has experienced a very slow development of statutory social services, with the Catholic Church playing a key role. The White Paper (2000: 48) observes in this regard:

It is notable that the sector in Ireland not only complements and supplements State service provision for social welfare and social services was provided under the Poor Laws in the 1830s. Voluntary activity, especially by religious orders and their concern with charity and the poor, played a major role in providing supplementary welfare provision. The church-based education system – at primary and secondary level – and voluntary services provided by religious orders in meeting education and social welfare needs continued after the foundation of the State.

In the Irish State, which was established in 1922, the principle of subsidiarity has become a dominant characteristic of social policy. However, the position of the Church as a social services provider has already been established, as noted above, following the Charitable Bequests Act, 1844. This law placed the Roman Catholic Church in a very powerful position within Irish society. It was given ownership and control of many of the schools, hospitals and social services in The Green Paper (1997: 31) Community and Voluntary Sector and its relationship with the State acknowledges this powerful religious role:

It is notable that the voluntary sector in Ireland not only complements and supplements State service provision, but is the dominant or sole provider in particular social service areas. In this context Roman Catholic religious organizations and those of other denominations have played a major role in the provision of services. Many services have been initiated and run by religious organisations, for example, services for people with a mental and physical disability, youth services, the elderly, residential child care services and services for the homeless.

The role of the Roman Catholic lay religious organisation, the St Vincent de Paul, which has 1,000 branches in Ireland and approximately 11,000 members, in providing welfare and various financial services has been acknowledged by the Green Paper (1997: 31) as operating a 'shadow Welfare State'. On the same page, the Green Paper makes the State's position clear by stating that 'the Government greatly values the vital role played by these various organisations and acknowledges the enormous contribution made by them in assisting individuals in need, the communities in which they live and work and society as a whole'. This statement is a powerful testament to the enduring role of the religious in Irish society and the importance of the third sector in maintaining that position.

However, the White Paper (2000: 49) notes a decline in the role of the Catholic Church in third sector activity:

The role of religious organisations in relation to the Community and Voluntary sector is changing. There is a decline in religious vocations and a withdrawal of religious personnel from some services. This has created gaps that are increasingly being filled by the statutory sector and other voluntary organizations. Religious personnel have increased their role in, for example, encouraging and advocating State expansion in provision and support for voluntary organisations, community-based services are addressing their mission in an increasingly secular society.

In a study of third sector organisations in the Eastern Health Board area (by far the largest in the country, including Dublin City in its boundaries), Faughnan and Kelleher (1993) found that 57% displayed multiple forms of religious involvement, which included religious being a founder member, providing significant finances, occupying the position of director and providing premises.

What appears to be happening is that religious involvement in the third sector is mutating and evolving from its traditional ownership of the institutional voluntary sector into community participation, frequently in a leadership role. There is very little evidence of a decline in religious influence in a more secular society; rather there is evidence of a remarkable ability to adapt and to continue to exercise a powerful influence. The underlying aspiration of the third sector to promote democratic pluralism is fundamentally challenged by this on-going religious hegemony that remains the most durable influence in the Irish voluntary sector. It defies the long-term trend toward secularisation and secular values within Irish society as a whole. What is evident is that traditionalist influences continue to be highly influential in defining the concept of community in Ireland.

(ii) Political & Social Culture

Ireland's road to modernity has been a long and troubled one. A persistent traditionalism of thought has weakened the effects of formal social citizenship rights, which have been gradually granted in law, politics and society; opportunities objectively granted have not been fully realised subjectively. Powerful social, cultural and political interests are deeply rooted in a traditionalist vision of Ireland, which have sought to hold the country in a State of semi modernity. They have been helped in their struggle against modernity by a selective history of communitarianism based on a struggle to preserve a traditionalist vision of Ireland. As a consequence, social citizenship rights have remained incomplete and chances for participation have continued, to the present day, to be more unequally distributed than the full status of citizenship in a modern democracy would permit.

The influence of Muintir na Tire, founded by Father John Hayes in 1937, typifies the traditionalist element in the third sector in Ireland. Forde (1996: 9) has underlined its traditionalist role, observing that 'Muintir na Tire was established at a time when urbanisation was impinging on rural life, when communism was considered an international threat, and when the State began to play a more active role in social planning'. Muintir na Tire started as a co-operative but mutated into a system of parish councils. It was ideologically a deeply conservative movement. Forde (1996: 9) notes that 'Muintir na Tire refused to acknowledge the possibility of class or other conflict in its parish councils, which are organised on a vocational basis with representation from all the main class groupings in the parish'.

In 1958, Muintir na Tire adopted the UN definition of community development that emphasized partnership between the State and local communities (Forde, 1996: 9). Following the Irish modernisation project, initiated in the 1960s, the pace of rural decline was sharply increased, weakening Muintir na Tire. In order to combat this decline Muintir na Tire embarked on a programme of reorganisation in the 1970s, and parish councils were replaced by democratically elected community councils. Forde (1996: 10) has assessed the strengths and weaknesses of community councils as follows:

It could be argued that the strengths of community councils lie in their ability to provide local amenities, such as community centers, in the organisation of leisure activities, and in lobbying the State for improvements in local facilities. Their weaknesses include their failure to develop sufficiently to offer employment to professional workers, their inactivity for large periods of the year and their inadequacies in planning and managerial terms.

The decline in the role of Muintir na Tire continued. The number of parish councils fell from 300 in 1970s to 120 in 1990 (Forde, 1996: 10). This decline was primarily due to the onward march of rural decay. However, there has been a concomitant shift in the direction of community development. As Crickley and Devlin (1990: 54) have noted, 'during the last decade, community work shifted its emphasis from an overall concern with issues in a geographical area to a focus on specific interests and communities of interest e.g. training, employment, women, youth, Traveller and minority groups'. However, the traditionalist ethos that Muintir na Tire represents is far from dead. The American Sociologist, Amitai Etzioni, in his influential book entitled *The Spirit of Community*, shares this outlook. Etzioni (1994: 2) defines what he calls the communitarian thesis as an attempt 'to shore up our values, responsibilities and communities'.

The problem with the traditionalist vision of community is that it is anti-modernist. In Ireland its roots in cultural defenderism have militated against a socially progressive response to modernisation. In a world where the politics of recognition have become dominant (e.g. the Women's movement, the Ecological movement, the Black Power movement, the Gay Rights movement), organisations such as Muintir na Tire have become increasingly marginalised. Single issues rural campaigns in recent years, like the fishing rod licence dispute, have served to undermine further traditional organisations like Muintir na Tire in rural Ireland.

(iii) Economic Importance of Third Sector in Ireland

Number

It is difficult to quantify the number of Third Sector organisations. Powell and Guerin (1997), using the National Social Services Board Handbook as a national list, targeted 597 organisations. However, these were voluntary organisations. If community organisations (including local level activity) were included in a quantification of the third sector, the figure would rise to thousands, and is probably unquantifiable given the flexible nature of this social phenomenon.

iv. Employees & Volunteers

According to Donoghue (1999) approximately 3% of the non-agricultural workforce i.e. 32,156 people are employed in the Third Sector.

Volunteering within the Third Sector has been estimated by Donoghue (1999) at 31,919 full-time equivalents. Powell and Guerin (1997) in a UCC Social Studies Research Unit project examined this issue, through a national opinion survey and a survey of 261 organisations.

The national opinion survey of the population carried out for the Social Studies Research Unit in UCC found that 32% of the national population had given services without pay to a voluntary organisation during some time in the past (Fig.2).

Fig.2. Percentage of population who had given services without pay to a voluntary organization

Services given without pay	
yes	32%
no	68%

Source: Powell & Guerin (1997: 118)

The results of the research show that 48% of the population who had given services without pay to a voluntary organisation were men and 52% were women. Other interesting findings reflect the social class composition of volunteers. ABC1 classes (upper middle and lower middle classes) were more likely to have volunteered. 43% had given their services as volunteers, whereas only 25% of the skilled and unskilled working class (C2DE) had volunteered. Farmers featured midway between these two groups (34% had given their services without pay to a voluntary organisation) (Powell & Guerin 1997: 119).

The results from the national opinion survey also show that 18% of the population are currently giving their services to a voluntary organisation.

The evidence from the research undertaken by the UCC Social Studies Research Unit is, however, that a significant degree of professionalisation has taken place. This degree of professionalisation is reflected in the numbers of the population who state that they are employees of a voluntary organisation or who have taken part in Government-funded employment schemes.

There is clear evidence of the increasing organisational complexity associated with the voluntary sector. Organisations were asked to chart their progress in terms of whether the numbers of staff (full-time and part-time), volunteers, members and clients/users of services had increased since their formation (from 1975 if organisation was formed before this date) as compared with 1995.

The results of a national opinion poll commissioned by UCC also provide evidence of the increasing take-up of Government employment schemes by the labour force. The results of the national opinion poll show that 2% of the adult population are employed by a voluntary organisation as part of a Government Employment Scheme. The survey also found that 2% of the adult population described themselves as employees of voluntary organizations. (Powell & Guerin 1997: 128-129).

The evidence from the survey of voluntary organisations is that professionalisation has made a big impact on the third sector. Despite this trend, however, there is evidence that much of the employment within the voluntary sector is of a 'secondary labour market' or workfare nature – poor career structure, low pay, long hours and temporary employment. These features have become more pronounced with the extensive use of CE schemes by voluntary organizations. (Powell & Guerin 1997: 132).

(v) Funding

The relationship between the Third Sector and the State is copper-fastened by funding. 52% of the Third Sectors funding in Ireland either comes from the Irish Government or the European Union (White Paper 2000: 10).

The huge number of community initiatives (mainly stemming from financial support from the EU) which have received State funding has not prevented community activists and workers from recognizing that significant problems exist in relation to the State's activities. These difficulties have been characterised by Lee (1990: 96), in her discussion of community links with the State in Ireland, as pertaining to:

- Excessive centralization and bureaucracy
- Inefficiency and incompetence
- Suspicion of its own constituent parts as well as of others
- Vulnerable to direct action
- Hi-jacking of community for its purposes
- Politically and personally oppressive.

The new emerging complex interlinkages between the voluntary sector raise key questions about the role of the State. In particular, in light of the growing trend towards a partnership model and widespread acceptance that Ireland has a mixed economy of welfare, the clash between the reality of statutory/voluntary arrangements and their idealised workings within a welfare pluralist or partnership model becomes apparent. (Powell & Guerin, 1997: 138).

The White Paper (2000: 23) sets out the parameters for State funding of third sector activities

- The priorities for statutory funding are activities undertaken by the Community and Voluntary sector that enable individuals facing disadvantage or discrimination to access and realise their rights and potential as members of society, or that provide key services required by groups with special needs.
- The sector has a special role in developing innovative responses to social needs. Not all pilots are successful or should receive ongoing funding, but the Government is keen to mainstream the lessons from the successful pilot initiatives, as resources allow, by
 - ⇒ Providing continuing support for the innovative work of the sector;
 - ⇒ State agencies taking on direct provision of previously piloted services;
 - ⇒ Incorporating the lessons of pilot projects into local and national policy development.
- 100% funding will only be provided for projects with a specific focus on tackling poverty and disadvantage, where an element of self-financing could not reasonably be expected.

In 1999 State funding (including European Union and National Lottery sources) of the Third Sector amounted to £1.267 billion (White Paper 2000: 115).

**(vi) Relevant Institutional Subjects for Third Sector Organisations:
State Agencies in Ireland**

Centralisation

Decentralisation

Department of Defence:

Red Cross

Department of Environment:

Local Authorities

Department of Education
& Science:

Vocational Educational Committees

Department of Finance:

EU Structural Funded Projects

Department of Health
& Children:

Health Boards

Department of Justice, Equality,
and Law Reform:

Probation & Welfare Service

Department of Social,
Community & Family Affairs:

Combat Poverty Agency
Comhairle (NSSB)
Community Development Projects
Family Resource Centres

Department of Tourism,
Sport & Recreation:

ADM

(vii) Legal & Regulatory Framework

The legal and regulatory basis of the third sector is defined by three main structures:

- Limited Company;
- Industrial and Provident Society;
- Incorporation under the Charities Act.

The White Paper (2000: 85-86) explains the meaning of these structures:

1. **Limited Company:** A group can form a company in accordance with the rules laid down by the Companies Acts and thus acquire a legal status separate from that of its members. This is known as incorporation. The provisions of the Companies Acts provide for a company limited by shares or a company limited by guarantee. Community and Voluntary groups adopt the latter – a company limited by guarantee. There are no shares and the personal liability of members is limited to a nominal amount. This is the most common form of incorporation used by Community and Voluntary sector organisations.
2. **Industrial and Provident Society:** In order to be registered as an Industrial and Provident Society (IPS) a society must be formed “for carrying on any industries, businesses or trades”. While this covers non profit-making groups or services providers, it would appear to exclude campaigning bodies. The categories of societies registered under the Industrial and Provident Societies Acts 1893 – 1979 include agricultural producer societies, group water schemes, housing co-operatives. The standard rules of an IPS allow profits to be distributed among its membership, although this is not always so. The approved standard rules for housing co-operatives, for example, prohibit the distribution of any profit or dividend to members.
3. **The Friendly Society** is separate and distinct from the IPS. Societies registered under the Friendly Societies Acts include mutual insurance and assurance bodies which provide a variety of life assurance, sickness and death benefits for their members and benevolent societies and other societies formed for purpose such as the promotion of science, literature and education. These do not have limited liability status.
Incorporation under the Charities Acts: A body which is a charity can apply to the Commissioners of Charitable Donations and Bequests to be incorporated, i.e. granted separate legal status.

The White Paper (2000: 87) also notes in relation to charitable recognition and regulation of charities that:

For tax purposes, under existing law, a charity is a body of persons of a trust which is established for charitable purposes only. *Charitable purposes* in this instance can be:

- The advancement of education;
- The advancement of religion;
- The relief of poverty, or;
- Other works of a charitable nature beneficial to the community.

Charitable recognition does not confer any legal status on an organisation. Neither is the acquisition of charitable recognition an alternative to acquiring a legal status, rather it is related to fund-raising and tax issues. The tax code provides for tax exemptions in respect of certain income and/or property of charities. The Revenue Commissioners are responsible for the administration of the relevant exemptions and, for this purpose, determine whether a body of persons or trust claiming the benefit of any exemption is established for charitable purposes only.

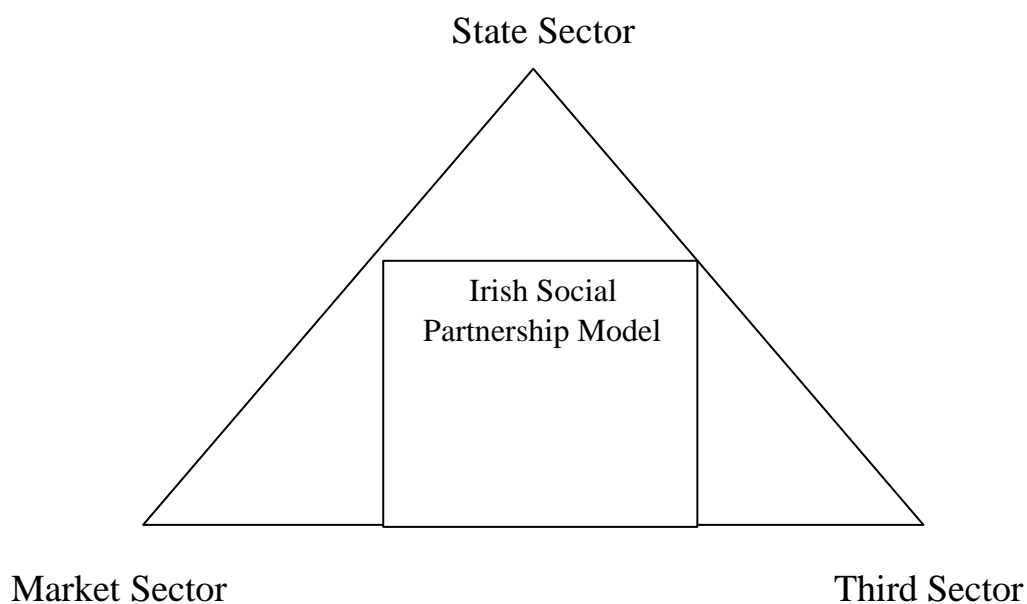
All voluntary organisations are required to have a written constitution for their internal regulation. Preparatory work on legislation for their regulation by the State is underway. The White Paper (2000: 87) declared:

The Government has now decided that responsibility for charity regulatory matters and the Commissioners of Charitable Donations and Bequests will transfer from the Department of Justice, Equality and Law Reform to the Department of Social, Community and Family Affairs. This responsibility fits better with the community brief of the Department of Social, Community and Family Affairs. It is appropriate that the follow-up by that Department to the White Paper should include progressing issues in relation to regulation of charitable fund-raising and in relation to incorporation and regulation of charities generally. The Government is committed to ensuring that comprehensive legislation on regulation of charities and their fundraising is produced as a priority.

Section C: Models of Governance of Natural Welfare Policies

In Ireland, the intellectual concepts of active citizenship and the promotion of civil society are closely aligned with a resurgence of interest in voluntarism and a growing reliance on the third sector in many areas of social life. For the advocates of welfare pluralism, the expression of active citizenship, community empowerment and local democracy are clearly based on the existence of a vibrant third sector. Advocates of communitarianism, such as Etzioni, view volunteering as being essential to the expression of civil commitment (Etzioni, 1994: 261). Volunteering as a form of civil commitment is closely related to the existence of a dense network of community and voluntary organisations that create and sustain a healthy civil society.

The discussion of the relationship between citizenship and the third sector is only one component of the discussion of citizenship in relation to the overall mixed economy of welfare – voluntary, statutory, commercial and community sectors of social provision. From this perspective, the challenges to the Welfare State posed by the Irish partnership model have major implications for the contribution of the voluntary and community sector to the definition of citizenship in a postmodern era. This exchange of ideas, values and language is captured in the Green Paper (1997: 26) on the Community and Voluntary Sector which asserts that ‘the promotion and strengthening of social dialogue across society involves the State developing partnerships with a wide range of institutions, including not only the voluntary and community sector but also employed and trade unions’.



The Irish Social Partnership model is imaginative in its strategy. What is apparent is that the concept of a third sector has been recontextualised in postmodern society within the language and ideology of partnership. Within this vision a symbiotic relationship is envisaged between the third sector and the State. It is engineered through the concept of partnership, advocated as the strategy for the future. Philosophically, this is a powerful theme for the development of the third sector. It envisages nothing less than an 'enabling State' based on a social market economy positioned in the overall framework of the European Union. But the essence of the partnership model for the Welfare State can be elusive. Nonetheless, significant developments in public policy are discernible including, as already noted, the inclusion of the Community and Voluntary Pillar in national partnership agreements. But the participative structure is much wider and embraces:

- The establishment of the National Economic and Social Forum (NESF) with a third of its representatives from the "third strand". The Forum was established with a role of developing economic and social policy initiatives, particularly initiatives to combat unemployment and to contribute to the formation of a national consensus on social and economic matters. Its membership is drawn from three broad strands. The first represents the Government and the Parliament. The second represents the traditional Social Partners. The "third strand" is representative of groups traditionally outside the consultative process, such as the unemployed, women, the disadvantaged, people with a disability, youth, the elderly and environmental interests.
- The establishment of 12 pilot partnership companies under the Programme for Economic and Social Progress (PESP) and subsequently of 38 Local Development Partnerships (LDPs) Integrated Development of Designated Disadvantaged Areas. Area-based partnerships are independent companies comprising representatives of the community sector, the social partners and state agencies. The objectives of the programme are to: assist the long-term unemployed to find employment, provide additional supports for those at risk of early school leaving and underachievement and to enhance the capacity of local communities to participate fully in local development. Attention has been drawn to the innovativeness of many of these projects (Sabel 1996);
- Recognition and representation of the voluntary and community sector in the EU Programme for Peace and Reconciliation. Area Development Management Ltd. And the Combat Poverty Agency have responsibility for administering part of the Programme in the southern border counties and are responsible for a budget of £29 million to be spent between 1995 and 1997;

- The expansion by the Department of Social Welfare of the Community Development Programme (CDP) which now includes some 80 community development projects. An Advisory Committee on which the voluntary and community sector is represented has been established to advise the Minister for Social Welfare on the overall direction of the CDP.
- The deliberations of the Devolution Commission and the publication of its Interim Report in June 1996 which recommends the establishment, with effect from January 2000, when the current round of EU Structural Funding ends, of an integrated local government/local development system. This recommendation has been accepted by the Government in the White Paper, *Better Local Government – A Programme for Change*;
- The changing framework governing relationships between the voluntary sector and the Department of Health is outlined in a strategy document on health published in April 1994, *Shaping a Healthier Future – A Strategy for Effective Health in the 1990s*. This strategy document also draws attention to the importance of consumer/user participation. Health Boards are also required to carry out evaluations of the effectiveness of services which include users' satisfaction with services;
- Agreement between the Department of Health and the mental handicap agencies directly funded by it on a new policy framework to govern their funding and involvement in provision of services. The framework is set out in the report *Enhancing the Partnership* and provides for formal service agreements, with statutory backing, between the agencies and the health boards in relation to their annual allocations and new arrangements for participation of regional policy and priority setting. A proposal for a broadly similar arrangement for the physical disability sector is being examined at present;
- The enactment of all 79 sections of *the Child Care Act 1991* which updates *the Children's Act 1908*. This major piece of legislation is underpinning the current reorganisation of child care services. In relation to consultation with the voluntary sector, the Act requires Health Boards to establish Child Care Advisory Committees which must include representatives of voluntary organizations;

- Initiatives undertaken by the Department of the Environment include legislation giving local authorities the power to involve tenants in the management of local authority estates. In relation to homelessness, voluntary organisations are given a consultative role on the implementation of policy relating to housing and homelessness. Mechanisms for inter-agency co-ordination of voluntary and statutory services for homeless people have been established in the Eastern Health Board region (Green Paper 1997: 49-50).

Social Partnership has its critics. Allen (2000: 35) notes that:

...the majority of Ireland's intelligentsia advocate a form of social partnership which purports to give a voice to the excluded and the marginalized...the promised trickle down effect has hardly materialised and instead there has been a steady stream going the other way.

His claiming analysis of the Celtic Tiger economy seeks to expose social partnership as a myth. The high level of class polarisation in Irish society lends weight to his critique.

Section D: Possible National Development Trends in the Third Sector

What is clear is the third sector is characterized by a dynamic diversity that contributes to the well-being of civil society, outside the confines of the market and the State. Citizens contribute to the third sector both as individuals and collectively, informally and formally through organisations and without payment or as salaried staff. Voluntary organisations exist at national level and at local community level, in myriad forms both large and small. Some are traditional and paternalistic. Others are transparently democratic, controlled and operated by users. Many voluntary organisations have close partnership relationships with the State, often depending on statutory funding for survival. Yet others challenge the State through vigorous social movements (e.g. environmental, peace, gay and lesbian, feminist, anti-racist, etc.) that some sees as 'a people's opposition'. In this diversity lies the strength and weakness of the third sector and, indeed, the limitations of civil society. The future is in this diversity but not as an alternative to the Welfare State. The mainstream of the voluntary sector in the social market economy is clearly shaped by its symbiotic relationship with the State. Only in liberal market economies such as the USA, where the State contributes 10% of funding, are things different.

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