Perceptions of the third sector

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Foreword

How do citizens in Europe view third sector organizations? How can differences in perceptions of the third sector among citizens in Europe be explained? And how is the third sector assessed therein with regard to its contribution to social innovation? Based on the limited scope of the evidence available from previous research it is hard to answer this question. Therefore new empirical research on the perceptions of citizens will be conducted at a later stage in the ITSSOIN project, in Work Package 2 (WP2). The current paper serves as a basis for this empirical work. Specifically, we investigate the perceptions of the third sector among governments, citizens, and the media, and ask:

- How is the third sector described in political statements, agendas and initiatives?
- Which values do citizens ascribe to the third sector?
- How is the third sector discussed and displayed by the media?

The structure of this paper is as follows. In section 2 we offer a theoretical framework for the empirical analysis. In section 3 we provide a preliminary answer to the question how social innovation emerges in perceptions of the third sector. In section 4 we discuss media perceptions of the third sector. We conclude this contribution in section 5 with an identification of the research questions that should be answered in the empirical analysis of perceptions of the third sector, and the methods that should be used to answer these questions in a valid and reliable way. But first we answer the question why perceptions of the third sector are important at all, and specifically in the assessment of social innovation.
1. Perception is everything

In all their diversity, the activities of third sector organizations have one thing in common: an evaluation of the quality of third sector activities in terms of objective criteria is often difficult. The difficulties involved in objective evaluations of third sector activities enhance the scope for influences of expectations and subjective perceptions of clients, donors and regulators. The idea that third sector organizations are innovative by nature or provide social innovation in practice could contribute to positive perceptions of third sector organizations. These perceptions, however, are difficult to substantiate. Unlike ordinary consumer goods, third sector activities are not sold on competitive markets at prices paid by customers to suppliers. Third sector organizations often produce ‘credence goods’, of which the quality is difficult to evaluate (Weisbrod, 1989). Third sector activities are characterized by a separation between the purchaser and the recipient of the service (Hansmann, 1980).

Figure 1 displays the actors involved in the emergence of perceptions of third sector organizations. Perceivers, be they individual citizens, corporations, or governments, may invest time and money in third sector organizations (arrow A), which provide services to beneficiaries (arrow B). In forming their impressions of third sector organizations, they rely on information gathered from their social networks (arrow C), the media (arrow D) and from third sector organizations (arrow E).

**Figure 1. Actor model of perceptions of third sector organizations (based on Wiepking and Bekkers, 2014)**

In economic theory, the trust problem with these goods is described as a situation of information asymmetry: producers have more information about the quality of the goods they produce than buyers. Akerlof (1970) describes such markets as ‘markets for lemons’. In such markets suppliers have an information advantage over buyers which creates a temptation to abuse consumer trust. If consumers are not able to taste the products they are about to buy, suppliers could sell lemons instead of oranges. In figure 1, this is displayed by arrow B, representing services to beneficiaries provided by third sector organizations. Perceivers rarely observe these services directly and must therefore rely mostly on other sources of information.
In markets for experience goods, sellers of lemons will suffer a reputational disadvantage when consumers can determine the quality of a product after buying it. The services provided by third sector organizations are likely to be a mixture of the qualities of experience goods and credence goods. Thus the first source of perceptions of third sector organizations is the experience of citizens with these organizations.

However, in many cases citizens do not have direct experiences with third sector organizations as clients. They will also rely on other sources of information when they form their impressions. In the absence of direct experience, perceivers will rely on information about the quality of the services provided by third sector organizations from others who have had interactions with the organization. Such ‘social information’ is important in credence goods markets. This information can be provided by the media and by other individuals within the social networks of perceivers. In figure 1, this is displayed by arrows C, D and E. Because of the trust problem, citizens who seek trustworthy information will ideally ask others that they trust to have objective information. At least they will discount information from parties with a vested interest in voicing overly positive or negative views.

Figure 1 depicts a schematic model of actors that influence the formation of perceptions of third sector organizations. In this model, citizens perceive third sector organizations, for example as volunteers organizing or supporting third sector activities, or as donors funding third sector activities, or as critical bystanders. Beyond their potential roles as clients, donors, volunteers or bystanders, citizens form the societal frame in which organizations operate and are thus central actors in determining societal legitimacy next to policy makers. The latter are themselves democratically legitimized, but may be driven by different agendas, be they individual, dictated by parties or influenced by the current political climate. The significance of individual citizen attitudes or those of groups as well as discourses stimulated by the media has recently been described in view of social innovation as the ‘societal climate framework’, which is at least as important as politics, institutional regulations or the access to resources (Krlev, Bund, & Mildenberger, 2014).

In reality, of course, the formation of perceptions is much more complicated than this simple reference to frames of relevance suggests. In our view, the characterization of the formation of perceptions of the third sector does not go far enough because it assumes that the performance criteria for the evaluation of the services provided by third sector organizations are defined. While funding for third sector organizations and activities in the form of governments subsidies and foundation grants may involve output and/or performance criteria, this is often not the case for third sector activities. In the absence of such criteria, trust is even more important for the third sector.

Trust is also essential to the diffusion of innovations (Rogers, 2005) and at the core of theories about non-profit organizations (Weisbrod, 1977; Hansmann, 1980; Ortmann & Schlesinger, 2005; Tonkiss & Passey, 1999). In markets for credence goods, citizens will have more trust in non-profit organizations than in for-profit suppliers (Hansmann, 1980). Because of the non-distribution constraint, which forbids non-profit organizations to make profit, citizens will prefer non-profit organizations. When organizations do not have a profit motive citizens expect them to honour their trust.
In addition to the non-distribution constraint, the manifestation of prosocial values in the mission of third sector organizations and the innovativeness in the services provided by third sector organizations can also foster trust.

2. A theory of perceptions of the third sector

The public goods that third sector organizations provide to the general public and the club goods provided to their members rely on contributions of volunteers, private donors and government subsidies. Third sector activities occur because contributors perceive these activities to be worthwhile, even though contributors do not buy a tangible reward for themselves. As a result, perceptions of third sector depend on 'subjective' factors. Which are these factors? What determines the perceptions of contributors and bystanders to the third sector? A question left aside in the current paper is how citizens view volunteers working for third sector organizations. Perceptions of characteristics of volunteers include free choice, lower or no compensation (than paid workers), and less personal relationships with beneficiaries (Cnaan, Handy and Wadsworth, 1996; Handy et al., 2000).

In the current report we answer the question how citizens view the third sector from a relational goal and position (RGP) perspective (Bekkers, 2010a), which emphasizes the influence of the social relationship between a contributor and the third sector as well as the goals that the actors involved have in their relationship.

The perception that a contributor has of a third sector organization depends first and foremost on the goal (or goals) that the contributor is trying to achieve through her contribution. Secondly, the structural position of a contributor in her relationship with a third sector organization determines her perceptions.

Goals. Generally speaking, the goals that contributors have can reflect different strategies in relation to a third sector organization. These three strategies are commonly distinguished in social-psychological research on social interactions (Messick & McClintock, 1968; Van Lange, Otten, De Bruin & Joireman, 1997): cooperation, competition, and individualism. When following a cooperative strategy, contributors are seeking to achieve the same outcomes as the organization, and view the organization as a partner. In competition, the achievement of individual goals and the goals of the organization are viewed as mutually exclusive. When contributors follow an individualist strategy, they view the organizational goals as independent (or irrelevant) for the achievement of own outcomes.

Positions. In their relations with third sector organizations, perceivers can have different positions. They can be active contributors (co-producers), passive contributors (donors, members), and non-contributors. Contributors can also be clients benefiting from third sector activities, and they can be participants in third sector activities. In these cases contributors are also recipients. In still other cases citizens may learn about the quality of the services provided by third sector organizations not by being recipients themselves but through contacts with recipients. In these cases, people in their social networks are recipients. A special case exists where citizens are neither directly nor indirectly affected by or related to third sector activities in any specific way but still serve as providers of legitimacy as sovereign representatives of
society. This can cause severe impediments to organizational functioning and innovative capacity—take for instance the negative public opinion after UNICEF’s German chapter had lost their charity seal awarded by a national rating agency in 2008 or the recent public uproar when manipulations of a prize competition by German car club ADAC became known.

The centrality of mission and values in third sector organizations contributes to explain the influence of goals and positions on individual perceptions of the Third Sector. In each type of contributor role – volunteer, donor, member, recipient, co-producer – citizens will make different judgments not only about the quality of services delivered by third sector organizations, but also about the standards of what mission accomplishment should consist of. Consequently, performance and social impact measurement will be also based on perceptions, mediated by (frequently non-consensual) values. “It is this factor – the centrality of social values over financial values – that complicates measurement for nonprofit organizations.” (Kanter & Summers 1987, p. 154). To date, however, social innovation has not been suggested as an important aspect of the performance of third sector organizations.

Levels of analysis. From a relational goal-position perspective we can look at the third sector at three levels: (1) at the individual level of third sector activities, (2) at the meso-level of third sector organizations, and (3) at the macro-level of the third sector as a whole.

Macro-level. At the macro-level, governments are an important actor shaping the perceptions of individuals. The relationship of third sector organizations with government within a country is a potentially important correlate of the perceptions of the third sector among individual citizens. The public nature of the goods produced by third sector organizations can create complicated relationships with governments, which also produce public goods. In the least sophisticated dichotomous classification, governments and third sector organizations can strive for similar or different goals. Young (2000) distinguishes three types of relationships: supplementary, complementary and adversarial; Najam (2000) distinguishes four types: cooperative, confrontational, complementary, and co-optational relationships; Coston (1998) even distinguishes eight types of relationships, ranging from repression to collaboration. The parallels between these classifications and the three strategies identified in research on social interactions are striking.

In addition to these classifications, based on the mutuality of goals and instruments in producing goods and services, the relationship between governments and third sector organizations are also shaped by subsidies and regulation by the government. Choices made by policy makers will to some extent reflect the level of trust they have in third sector organizations. To date, no research that we know of has investigated perceptions of the third sector among policy makers and government representatives. It would be useful to measure changes in the attitudes of policy makers over time toward the third sector, through content analysis of the legislative debates and resolutions at the various parliaments in the sample countries. Unfortunately, this is not possible within the ITSSOIN project as it would require gathering a substantial amount of new primary data.

1 See: http://www.spiegel.de/international/germany/german-charity-s-mounting-woes-unicef-loses-vital-seal-of-approval-a-536587.html and http://www.ft.com/cms/s/0/774ae82a-81b5-11e3-a600-00144feab7de.html#axzz3ApHmT0oe.
Through changes in the level of support for third sector organizations and the degree of regulation, governments send different signals to contributors. These signals may be interpreted in different ways. By investing a lot of effort in regulation of third sector organizations governments signal that problems in organizations necessitate control mechanisms. By subsidizing organizations governments may signal that they would not survive without support, and at the same time they signal the importance of their work. Withdrawing subsidies may then signal a loss of importance or the belief that third sector organizations will be able to survive without government support. The former obviously makes perceptions of third sector organizations less positive; the latter may make them more positive. This argument will return below.

Recently, national governments in the United Kingdom and the Netherlands have changed their approach towards third sector organizations. In the UK, the ‘Big Society’ speech of Prime Minister David Cameron in 2009 marked the change towards lower government funding for public goods and an increased reliance on the responsibility of individual citizens and local communities (MacMillan, 2013; Alcock, 2010). Previous UK cabinets had agreed upon compacts with the third sector. At the local level, governments drew up performance contracts with third sector organizations to deliver services. Social innovation was one of the buzz-words that third sector organizations were required to use in funding agreements (Osborne, Chew & McLaughlin, 2008). The new cabinet is lowering coordination between national departments and trying to promote self-reliance of third sector organizations on private sources of income. Perceptions of the third sector may suffer as a result of the transformation of subsidies into service contracts with lower levels of funding than previously granted as subsidies.

A related development is taking place in the Netherlands. A ‘covenant’ between the government and the third sector was agreed upon in 2011 underscoring their partnership in the provision of public goods. At the same time, a large cut in funding for the arts was announced, which increased reliance on entrepreneurship and philanthropy as alternative sources of income for cultural organizations was promoted. Other fields of government support are likely to follow, such as international relief and assistance. Social innovation and entrepreneurship should fill the gaps. Most recently, a huge decentralization of health care policy and funding to the municipal level has been agreed upon. Local governments should partner with third sector organizations and individual citizens to provide youth and elderly care.

The implications of these recent policy and legal developments in the Netherlands and the United Kingdom for perceptions of the third sector in these countries remain to be seen.2 One potential implication is that citizens will view third sector organizations as becoming more important for the provision of public welfare because they are given more responsibility. Another implication, however, is that citizens will view third sector organizations as becoming less trustworthy because the government is lowering its funding for third sector organizations. Research on charitable donations suggests that donors interpret ‘social information’ about the contributions of others as signals of quality (Bekkers and De Wit, 2014). Donors may perceive

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2 Please see the ITSSOIN report on the ‘Policy framework of the third sector’ in view of social innovation for more details across the EU and all partner countries.
the reduction of subsidies from the government as a signal that the organizations are less trustworthy.

A related development is the change in the regulation of third sector organizations. As the responsibility of third sector organizations in the delivery of public services is increasing, governments may desire more transparency, more control, and more stringent evaluation of the performance of third sector organizations. To citizens, an increase of the requirements for disclosure of financial statements and external audits signals that governments do not trust third sector organizations. The paradoxical and unintended effect of increased requirements could then be that trust in third sector organizations among citizens is lowered.

Meso-level. At the meso-level, third sector organizations themselves have an influence on the perceptions that governments, business and citizens have of them (Rey-García, Álvarez-González & Bello Acebrón, 2013). Third sector organizations have an interest in positive perceptions. The goal of third sector organizations in this case is to obtain as much support from donors and volunteers as possible. Third sector organizations are in a dependent position, but they still have the advantage of a high level of control over the information they provide about the services provided. Contributors are asked for money and time in a one-sided relationship.

The trust problem that potential contributors face is a *fundraising problem* for third sector organizations. The challenge that third sector organizations face is to convince donors that their services to recipients are of high quality and that the organization itself is trustworthy. Scandals publicized through social networks or the media complicate achieving this goal. Advertising and marketing techniques developed in the for-profit sector are also used by third sector organizations. One of these techniques is branding (Tapp, 1996; Ewing & Napoli, 2005). Third sector organizations can create a brand out of the organization by forging associations between the organization and desirable concepts, product characteristics or famous individuals (ambassadors), specifically tailored to the values and personality characteristics of targeted contributors (Venable, Rose, Bush & Gilbert, 2005). The positive associations facilitate marketing the brand to contributors, and are likely to go along with higher levels of giving (Michel & Rieunier, 2012). Research on non-profit branding is limited to charitable donations. Research on the role of brands of third sector organizations in the attraction and retention of volunteers is lacking.

A recent empirical study, one of the few focusing on the strategic role non-profit brands play beyond mere fundraising tools, is worth mentioning here. Kylander & Stone use structured interviews with 73 nonprofit executives, communication directors, consultants, and donors in 41 organizations and conclude that: “Rather than asking how brand management is contributing to revenue, boards (like managers) are beginning to ask how the brand is aligned with the mission, values, and strategy of the organization. They are asking about the alignment of image and identity, and they are asking about the contribution of brand to internal cohesion as well as to external trust. Perhaps most importantly, boards are asking about the role of the brand in enhancing operational capacity and driving social impact. Boards looking for metrics of effectiveness of brand management might measure increases in commitment and pride among staff and directors, and those conducting qualitative evaluations might probe for signs that mission drift has been reduced and that choices about which projects, resources, and partnerships to pursue have been easier to make. A strong brand should increase both the
speed and the breadth of consensus decisions in governing bodies.” (Kylander & Stone, 2012, p. 41).

Third sector organizations can also circumvent the fundraising problem by relying on third parties to provide evidence on the quality of their work. Independent evaluations of programs by third parties, certification of organizations or accreditation seals awarded, and the endorsement of and self-reported adherence to professional codes of conduct are examples of such pieces of evidence. Gugerty and Prakash (2010) discuss them under the heading of ‘accountability clubs’. Third sector organizations can form and join associations that hold their members accountable to a set of standards. The more stringent the set of standards, the more exclusive the membership, and the higher the signalling value of membership. Accountability clubs are an institutional solution to the trust problem. Other third-party assessment and information services such as GuideStar or Charity Navigator also work in this way (Rey, Martin & Alvarez, 2012). Yet, there is a relative disregard of innovation in such clubs or other signalling devices that might provide orientation for contributors and other constituents in this regard.

We see several initiatives in the third sector landscape that seem innovative with respect to accountability, such as social enterprise marks in specific countries (see Social Enterprise Mark Co, 2014 for the UK) or new legal forms (Galera & Borzaga, 2009 for an overview across Europe). Initiatives in social impact measurement (European Commission, 2014) or social reporting standards at the national level (gut.org, 2014) might have a broader reach. Also, in contrast to standard reporting on donation volumes, provided grants and accountability-related issues, these can serve to highlight intervention effectiveness and innovation. Other relevant pointers, which are more comprehensive in terms of the addressed organizations, are the funding and other legislative initiatives by the European Commission3 or national service commissioning via social impact bonds (Fox & Albertson, 2011), which allow the incorporation of innovation a constituent element of evidence-based payment.

However, as these signalling devices are still in a state of emergence, it can be suspected that citizens generally lack sensitivity for social innovation (even more so than the media). Nonetheless, in relation to the connection between innovation and trust as well as to other criteria ascribed to the third sector as described in the next chapter, we also suggest that it will be seen as the primary place for social innovations to occur.

Micro-level. At the individual level, the propensity to trust is an important factor in perceptions of third sector organizations. Because the quality of services provided to beneficiaries is difficult to evaluate, citizens will have to rely on intuitions, hearsay, and information they gather from other sources such as the media and accountability clubs. Whether citizens trust this information at all, however, is an important matter that determines their perceptions. People who tend to trust others they do not know personally have more trust in institutions in general and in third sector organizations in particular. A higher level of generalized trust is typical for volunteers and donors (Uslaner, 2002).

3 Please see the ITSSOIN report on the ‘Policy framework of the third sector’ in view of social innovation for more details.
The private participation of citizens in third sector organizations gives them a stake in positive evaluations of the third sector, because contributions to a low quality organization will have reputational disadvantage. This also goes for corporations and foundations supporting charitable programs with an eye to the public relations benefits of partnerships. They will prefer positive evidence on the impact of the programs. Negative evidence not only calls the professionalization of the charity but also the rationality of the funder into question. Citizens motivated by the quality of the goods provided, on the other hand, will value honest evaluations, even if they are negative.

Goals may include the reinforcement of a positive self-image and social justification of previous investments. Contributors are likely to engage in motivated cognition to reduce cognitive dissonance (Festinger, 1957). Moreover, communicating social innovation from a third sector point of view can neither be regarded as a simple top-down distribution of news and views nor as an open discourse with equal access. It is an ongoing quest for recognition of efficiency and legitimacy (Prewitt, Dogan, Heydemann & Toepler, 2004). A variety of stakeholders frame these perception processes, influencing public opinion and decision making, not only at the individual micro level, but also at the organizational meso-level, and the systemic macro-level.

3. A review of the available evidence on citizen attitudes

In this section we summarize the key insights from previous research on perceptions of the third sector. What do we know from previous research about the correlates of perceptions of the third sector? What research - if any - is there that specifically addresses perceptions of social innovation in the third sector? Below we answer these questions based on a chapter in the forthcoming Palgrave Research Handbook on Volunteering and Nonprofit Associations (Bekkers, Mersianova, Smith, Roka & Layton, 2014), which reviews the literature. Summarizing this literature, Figure 2 displays likely correlates of perceptions of the third sector at three levels of analysis: the macro-level of societies, the meso-level of organizations and the individual level of citizens. We discuss these likely correlates from the micro-level up to the macro-level. We emphasize that most of the variables included in figure 2 are likely correlates. The current knowledge base for most of these variables is weak. Therefore it is important that the conceptual discussion will be complemented by an empirical analysis of secondary and primary data (Deliverable 2.3).

Figure 2. Likely correlates of perceptions of the third sector at three levels

| Macro-level: legal requirements, self-regulation, government control, corruption, GDP, wealth |
| Meso-level: age, size, accreditation |
| Micro-level: socio-economic position, personality, prosocial values, generalized trust, participation in third sector organizations and activities |
| Perceptions of the third sector: importance, confidence, impact, trustworthiness, innovation, legitimacy and efficiency |
Perceptions of third sector organizations. Research on perceptions of the third sector has focused on various aspects of third sector organizations: their importance for society as a whole, the confidence that the public has in third sector organizations, the impact of third sector organizations on society, and the trustworthiness of organizations. We discuss these aspects below. The different dimensions can be seen as facets of a general positive attitude. Citizens who have a more positive attitude towards the third sector will have more favourable perceptions of third sector organizations. The confidence and trustworthiness dimensions have received most of the attention; most of the research discussed here is focused on these two aspects, sometimes lumped together under the general heading of ‘trust’. Perceptions of the importance of third sector organizations for society are less often studied. They can be measured with questions asking whether achievement of certain goals are part of the government’s responsibility or rather tasks for third sector organizations and with general statements on the contributions of third sector organizations in solving social problems (Bekkers and De Wit, 2013). Third sector organizations themselves increasingly focus on the measurement of their societal impact; perceptions of clients served are often used to demonstrate ‘impact’. Without randomized control groups, however, the evidential value of such perceptions is hard to determine. Finally, the innovation dimension – to the best of our knowledge – has received no attention at all in academic research on perceptions of third sector organizations. In an exploratory study of the brand personality of non-profit organizations in the US (Venable et al., 2005), three dimensions were uncovered: thoughtfulness (loving, compassionate, kind, helpful, and caring), integrity (reputable, committed to the public good, purposeful, accessible, and long-term orientation), and reliability (cost-effective and financially stable). ‘Innovation’ or related terms did not surface. However, the fact that this study did not examine innovation does not mean that it is irrelevant. In terms of human personality, ‘innovative’ is characteristic for individuals who are more open to experience, along terms like ‘creative’ and ‘complex’. A study on charity brand personality using these terms found that citizens were more likely to donate to third sector organizations that were rated as more open to experience (WWAV, 2009). Moreover, citizens who rated their own level openness as closer to that of a randomly chosen charity in the Netherlands were more likely to donate to that charity. This was not the case for other dimensions of charity brand personality, such as conscientiousness or emotional stability.

Micro level correlates. At the micro-level of individual citizens and community groups, perceptions of the third sector are associated with the type and intensity of investments in the third sector. Volunteers and donors have more positive perceptions of third sector organizations (Bekkers, 2003; Van Ingen and Bekkers, 2014). Donors think that the work of charities is more important than non-donors; they have more positive perceptions of the societal impact of charities and find them more trustworthy (Bekkers, 2003; Bekkers, 2006; Sargeant and Lee, 2004; Burt, 2014).

Moreover, the higher the level of effort invested in third sector organizations, the higher the level of trust of contributors. Higher levels of trust go along with higher amounts contributed (Bekkers, 2003) and more intensive forms of participation (Van Ingen and Bekkers, 2014). Volunteers identify more strongly as a volunteer and show a higher level of commitment and ‘personality fit’ when they have been working as a volunteer for a longer time (Callero, Howard, and Piliavin 1987; Sargeant and Lee, 2004; Van Vianen, Nijstad & Voskuijl, 2008).
While most previous studies cannot determine why these patterns emerge because they are cross-sectional, a few more recent studies have tracked citizens over time in longitudinal surveys. These studies show that the higher level of generalized trust among volunteers is not due to a socialization effect of volunteering on trust. This assumption is widespread in the literature on social capital (Putnam, 2000). Instead, however, trust is a fairly stable trait of individuals that changes little over time (Uslaner, 2002). Moreover, trust does not change in response to changes in volunteer work (Bekkers, 2012) or other forms of participation (Van Ingen and Bekkers, 2014).

Research on perceptions of charitable organizations (Bekkers, 2003) shows that the individual propensity to trust others in general – also called generalized trust (Uslaner, 2002) – is positively related to trust in third sector organizations, also called ‘charitable confidence’ in the literature on the donation of money. A longitudinal study among a large and heterogeneous sample of the Dutch population, including both volunteers and non-volunteers, shows that the experience of volunteering itself also does not influence charitable confidence (Bekkers and Bowman, 2008). A previous study, relying on cross-sectional data, had interpreted the higher level of confidence among volunteers as a learning effect (Bowman, 2004). Longitudinal analyses, however, show that the higher level of confidence is likely to be a result of justification and self-selection processes, with lower confidence volunteers dropping out and higher confidence volunteers sustaining volunteer work for a longer time (Bekkers and Bowman, 2008).

Because perceptions of third sector organizations are correlated with participation in such organizations, correlates of participation in third sector organizations such as a higher socio-economic position (Smith, 1994; Musick and Wilson, 2008; Bekkers, 2005) and personality characteristics such as extraversion, warmth and sympathy for others, and emotional stability (Bekkers, 2005) are also likely to be correlated with perceptions.

*Meso-level.* Organizational characteristics that are likely to be correlated with perceptions of third sector organizations are size, age, and participation in accountability clubs. Borgloh, Dannenberg and Aretz (2012) found that citizens prefer smaller charities over larger ones, arguably because they think that smaller organizations are less bureaucratic and have lower overhead costs. In the Netherlands, confidence in local third sector organizations tends to be higher than confidence in national organizations (Bekkers and De Wit, 2013). Furthermore, donors tend to have more confidence in charities in the Netherlands that are accredited by the Central Bureau of Fundraising, which holds fundraising charities accountable to a code of conduct. Participation in this accountability club increases fundraising income for organizations (Bekkers, 2010b). It appears that the accreditation seal awarded to accountable organizations primarily increases donations by previous donors, though it does not change the perceptions of the organizations among donors. Finally, organizational age is likely to be (inversely) correlated to the perception that a third sector organization is innovative. Innovation is often viewed as a youthful characteristic. As people age they become less open to experience (McCrae et al., 1999; Srivasta, John, Gosling & Potter, 2003). From an anthropomorphic perspective one would expect that older third sector organizations are viewed as less innovative.

*Macro-level.* Finally, we get to the macro-level of societies. There is no research available that empirically investigates correlates of perceptions of third sector organizations. Given the importance of trust, however, we may expect that legal requirements for third sector
organizations are relevant predictors. More stringent regimes send a mixed signal to citizens, combining the importance of third sector organizations and the likelihood that trust will be abused in less stringent regimes. Conversely, an absence of government control and self-regulation by the sector can signal both ignorance as well as the belief that trust is justified even without stringent legal or government control.

More straightforward predictions can be given for levels of trust, corruption, GDP and wealth. The macro-level of trust in a society is predictive of the likelihood of charitable donations in countries in Europe (Evers and Gesthuizen, 2011), even controlling for GDP, which in itself is also predictive of donations. It is likely that citizens living in less corrupt, more trusting and prosperous countries have more positive perceptions of third sector organizations.

4. A review of research on media perceptions of the third sector

At the macro level, media output may be regarded as a proxy for public opinion, in spite of the fact that on the micro level, most decision makers and ordinary citizens know very well that media perceptions only prime, frame and spin selected parts of social reality (Lund, 2006). On a day to day basis, however, the complexity of modern society legitimize press, radio and television to routinely translate multiplicity, e.g. third sector contributions to social innovation, into simple stories reflecting traditional frames of journalism, i.e. news criteria of relevance, identification, conflict, and sensation (Schudson, 2003).

At first sight media coverage of third sector could be expected to be at par with the other two sectors of society, Market and Government. Media research, however, demonstrates that professional journalism is much better educated to come to grips with business and politics than with civil society activities. It is apparently easier to mediate public affairs related to commercial players and events taking place in institutions catering for the ballot box than covering innovations generated by non-profits and associational democracy (Curran & Seaton, 2010).

Consequently, the first, and perhaps most important lesson here, is that journalism tends to neglect innovative performances of the third sector. In so doing, mass media may not influence perceptions primarily by telling people what to think, but rather by indicating to the audience what (not) to think and act upon. This “spiral of silence” (Noelle-Neuman, 1993) is particularly important in communicating decision makers: The cacophony of more or less newsworthy events and political demands offered in an under-communicated context makes it hard to prioritize in a balanced fashion – inviting pushy lobbyists to assist in the politicized selection processes (Hutchins & Lester, 2006).

In routine coverage of associational life outside the journalism beats of business and politics, news media tend to fall back on simplified stereotypes. Most of these “David vs. Goliath”-stories (Lund, 2013) are generated by press releases and other public relations initiatives by civil society organizations themselves. Others are driven by individual journalists (Bornstein, 2007) or promoted in special outlets (such as the ‘Enorm’ magazine in Germany), which herald the innovative capacity of individual social entrepreneurs. Although these accounts are generally legitimate as based on the ‘evidence’ provided, they bear the risk of framing discourses towards a pre-determined state (Nicholls, 2010) affecting the very legitimacy of the social innovation imperative and the actors involved. They also lead to a relative neglect of players that provide equally valuable and innovative work, which does however not stand out in the same way.
What is more, when, in passing, voluntarism and active citizenship are dealt with more independently by critical journalists, it is usually done within a simplified conflict frame of NGOs pressuring bad government (Cayli, 2013; Taylor & Napoli, 2009) or fighting big business (Fuchs, 2014; Scholte, 2013), or spectacular cover ups of scandals, where nonprofits and charities have erred and misbehaved (Allern & Pollack, 2012; Thompson, 2000). None of these antagonistic media frames invite educational stories relating constructive aspects of third sector innovations framed as service provision and co-production of welfare (Carroll & Hackett, 2006).

A rich, albeit somewhat dated, literature exists on media perception of advocacy, originating from the cultural studies tradition (Halloran, Elliott & Mundoch, 1970; McLeod & Hertog, 1992), and critical scholarship on the rise and decline of the public sphere (Habermas, 1962; Sennett, 1977). Third sector relevant work is still being done along these lines of research (e.g. Couldry, 2010; Dahlgren, 2000; Marcinkowski, Meier & Trappel, 2006), but back in the last century as well as now, few empirical analyses have been addressing non-conflict aspects of civil engagement (Malinick, Tindall & Diani, 2013) and civic co-production of social innovation (Laurent-Ledrua, Thomson & Monsonego, 2011). In terms of mediated diffusion of innovation in general (with little or no attention paid to the third sector) some other schools of research, however, offer relevant studies (Lund, 1999).

Most prominently, the American sociologist Everett M. Rogers and his co-workers have systematically mapped the diffusion of innovations field since the 1950s. On the basis of this research we know that successful innovations are usually communicated by multi-step flows applying network approaches (Windahl, Signitzer & Olson, 2008). In order to succeed, innovators must interact closely with opinion leaders in the field impacted. In the initial stages of the innovation, perceptions may be crucially influenced by mass mediated information, including targeted advertising. In the adaption phase, however, the more salient stakeholders usually depend on personal channels to a much larger extent than press, radio and television.

Consequently, the core actors involved in diffusion of innovations are influenced by mass media then as well as by peer to peer communication, e.g. formal meetings, informal conversation, and targeted use of social media (Hemer & Tufte, 2005). In tandem, press, radio and television primarily act as agenda setters by framing public discourse (McCombs, Shaw & Weaver, 1997; Scheufele, 1999). This is crucial for political decision makers, in spite of the fact that social media (Fuchs, 2014) – including informal grapevine communication (Nielsen, 2012) – tend to be more influential promoting social change writ large (Ruggiero, 2000), and in mobilizing protest in particular (Weaver & Scacco, 2013). More specifically, Rogers (2005: 238-240) points to these perceived attributes minimizing opposition and facilitating diffusion of innovations:

1. **Relative advantage**, i.e. the degree to which an innovation is perceived as better that the social phenomena it supersedes.
2. **Compatibility**, i.e. the degree to which an innovation is perceived as being consistent with the existing values, and past experiences of potential adopters.
3. **Complexity**, i.e. if an innovation is perceived as too difficult to comprehend, it is less likely to succeed.
4. **Trialability**, i.e. the degree to which an innovation may be experimented with on a limited basis.
5. *Observability*, i.e. the easier it is for stakeholders to identify the relative advantages of an innovation, the more likely they are to perceive it as relevant.

Combining the empirical findings on diffusion of innovations with the meagre research on current media perceptions of third sector contributions, we have done a pilot study on third sector media coverage based on Danish material (Lund, 2013) and a small sample of Eastern and Southern European countries (CIVICUS, 2014). The discussion below should be regarded as an explorative exercise pointing towards hypotheses for further study. Aside from the already mentioned tendency to ignore most of the innovations taking place in the third sector, media must be expected to perceive civil engagement framed as conflictual dichotomies on macro- and meso- as well as the micro-level.

**Figure 3. Likely correlates of media perceptions of the third sector at three levels**

| Macro-level: “Big Society” vs. Big Business and Bad Government |
| Meso-level: Advocacy vs. service provision |
| Micro-level: Pro-social values vs. hypocrisy and inefficiency |
| Media perceptions of the third sector: importance, confidence, impact, trustworthiness, innovation, legitimacy and efficiency |

At the *macro-level*, governments are key sources for journalism framing perceptions of the third sector. Even in well established democracies like Denmark where the private press and public service television are treated at arms length, the official policies are dominating public discourse at this level. This is even more clearly the case in Eastern of Southern Europe.

Most of the media items, nonetheless, are reported to be factual in style, promoting voluntarism and associational democracy as a necessary supplement to tax-based services. When critical voices are occasionally mediated, the conflict in the Danish context is mainly drawn between trade union interests (arguing that too much outsourcing of service to volunteers may hamper quality and salaried employment), whereas the Eastern European media are more inclined to discuss potential conflicts between non-profit and commercial businesses – often with mediated preferences for the latter.

Country-specific differences are likely, based on the relative positioning of the third sector in the welfare regime, but the sampled material at hand rarely frame third sector actors as particularly innovative in the mainstream media. Few civil society organizations command the necessary means for effective lobbying in setting the mediated agenda. Two formats, however, are open and frequently used by self-organized participation: letters-to-the-editor and blogging.

At the *meso-level*, third sector organizations have been shown to have more salient influence on the perceptions that mass media communicate. This certainly holds true in the Danish and Southern European samples, and – to a lesser degree – in the Eastern European ones. The contrast may be due to differences in non-profit funding. In order to frame and prime media
perceptions, non-government and non-market actors need resources, marketing skills in branding and journalism expertise in order to spin news worthy press releases. Alternately, third sector actors have to participate in spectacular events, e.g. demonstrations.

On the other hand, these biases may be somewhat mitigated at the meso-level of media coverage, because most news of this kind is self-generated by the very civil society organisations covered in a particular instance. Most news stories addressing organizational issues can be traced to press releases, web-sites, flyers and other materials provided by civil society organizations. Especially in local newspapers and community radio these self-organized means to influencing public opinion can be quite effective. The Danish material clearly indicates that almost all local stories and a considerable percentage of the national ones originate from public relation materials generated by the third sector actors themselves – particularly case stories demonstrating altruistic motives for advocacy and efficiency in service provision.

At the micro-level, these two dimensions – advocacy and service provision – are often pitched by the media as contradictory, in spite of the fact that third sector organizations often do both. Highlighting ideal type roles within this framework, however, have been shown to be a promising way of detecting particular sorts of mediated perceptions of social innovations in Denmark. For instance, in the field of environment and consumer issues, dedicated organizations are portrayed as driven by advocacy rather than motivated by aims at improving service provision. The latter, on the other hand, seems to be perceived as the key mover of social innovation in social services or health care.

The fundamental tendency is relatively positive media framing of third sector activities at the individual and community level. Critical voices are even less frequently heard at this level than is the case at the macro- and meso-level. On the rare occasion of derogative reporting in terms of micro-framing, the journalists focus on spectacular disclosure of fraud and hypocrisy, e.g. religious volunteers not adhering to their said principles, or high transactions costs weakening the efficiency of charitable impact.

Furthermore, content analyses in Denmark as well as other European countries indicate that a number of different civic values are being under-mediated. In Eastern Europe this part of the media coverage is strongly preoccupied with fighting corruption and promoting human rights of the liberal type. Danish journalists put little emphasis on these republican aspects of civil society, but are fiercely flagging the fact that Danes tend to come out champions when asked about generalised trust and social capital in civil society. On the negative side, journalists stress concerns about the receding willingness to participate in associational democracy and community clubs. The latter concern can be found across the board.

Behind the general trends, however, interesting varieties of voluntarism can be detected. In the Danish material traditional liberal and communitarian values are mediated together with corporatist ones, stressing mutuals and associations as the more important drivers of active citizenship. In the published material from Eastern Europe, republican and neo-liberal values are more prevalent, but the material is limited in scope and do not allow generalizations on the European level concerning marked trends and differences between civil society values addressed by national and local media.
In sum, the rather limited amount of relevant empirical research published in the area, combined with diffusion of innovation theory and tentative content analysis, indicate that:

In contrast to business and politics, routinely covered by news media, the third sector is not an institutionalized beat of journalism in Europe.

- Press releases and other self-organized material from civil society organizations play a major role in the routine news coverage of the third sector.
- Restricted coverage and outright omissions are probably more prevalent influences on public opinion than biased and negative reporting on third sector activities.
- When reporting on third sector activities do take place, neutral or positive frames are applied more often than negative ones.
- The tentative hypothesis concerning different roles within an advocacy/service provision framework appears to be confirmed by the explorative content analyses.
- Social media and informal grapevine communication must be expected to have important impact on diffusion of social innovations, but these channels of influence are even less research documented than press, radio and television.
- Diffusion of social innovation is rarely mediated as a particularly marked third sector value, while a number of other pro-social values are highlighted by the news media.

In conclusion, more research is needed in order to offer valid and reliable conclusions. It is going to be particularly challenging to test the hypothesis why, in any of the media samples digested here, successful (diffusion of) social innovation is rarely perceived as a core quality of the third sector at the micro- as well as at the meso- of macro-level of perception. Innovative behaviour is held in high esteem, but rarely communicated with non-profit advocates and service providers in the front seat. How this “spirals of silence” may effect public opinion in terms of third sector importance, confidence, impact, trustworthiness, and innovativeness, calls for more detailed scholarship to be conducted in relation to the empirical analysis of media coverage and citizen attitudes to be performed in ITSSOIN.

5. Questions and research design lessons for future research

Which questions should the empirical part of the ITSSOIN research (WP2) address and how should they be addressed, in particular with regard to understanding impact and innovation?

5.1. Questions to be addressed in future research

Due to the lack of research, almost any future empirical work on perceptions of social innovation in third sector organizations will be breaking new ground. The general logic of empirical research should be followed in this endeavor—both in terms of citizen attitudes and media coverage.

- First, descriptive questions should be answered. The basic question is:

  a) How do citizens in Europe view the importance, performance, impact and innovativeness of third sector organizations?

  A cross-national comparative question would be:
b) How do the perceptions of third sector organizations among citizens vary between different European countries?

A trend question would be:

c) How have perceptions of third sector organizations among citizens changed in the past years?

- Next, explanatory questions can be answered. The general question is:

  a) How can differences in perceptions of third sector organizations in Europe between citizens in different nations and time periods be explained?

  b) Specific explanatory questions can focus on the explanation of relations between macro-, meso-, and micro-level characteristics and perceptions of third sector organizations.

- Additionally, the relationship between public opinion and media perceptions shall be explored by way of comparative content analyses asking:

  a) How do mass media cover, frame and perceive third sector activities in different European countries?

  b) How do mass media, social media and informal grapevine communication interact in addressing third sector diffusion of innovations?

- Finally, policy oriented questions can be answered. These questions could focus on the possibility for third sector organizations and governments to influence perceptions of the third sector.

5.2. **Design of research on perceptions of the third sector**

What is the quality of research on perceptions of the third sector, and what can we learn from previous research about the optimal design of empirical analyses of data in this area?

Two key aspects of research quality are reliability and validity. Reliability refers to the consistency of the data and the interpretation. Validity refers to the correspondence between the targeted domain and content of data and the actual data collected.

Perceptions of the third sector are inherently subjective utterances. They can be measured through self-reported degrees of agreement with statements expressing these perceptions in surveys. Several surveys contain items expressing attitudes towards the third sector, such as the Eurobarometer Surveys conducted for the European Commission, and the World Values Surveys. Less common are items measuring perceptions of third sector organizations in longitudinal panel surveys. Fortunately, some surveys do contain such items, including the Giving in the Netherlands Panel Survey.

A particular concern with self-reports is the tendency to give socially desirable answers. If positive perceptions of third sector organizations are socially desirable, for instance because third sector organizations are assumed to work for the welfare of all, self-reported agreement with statements expressing positive perceptions could be inflated. More honest responses to
items measuring perceptions of third sector organizations are likely to emerge in more anonymous conditions. An online survey is more anonymous than a face-to-face interview. A paper-and-pencil questionnaire would fall in between, producing less valid responses than online surveys, but more valid responses than face-to-face interviews.

A general concern with cross-sectional data is that it is difficult to sort out the chronology of variables. We have seen the importance of longitudinal analyses, following individual citizens over time, in the analysis of the correlation between trust and participation in third sector organizations. This issue plagues almost all research on perceptions of third sector organizations. Cross-sectional analyses can be used to answer descriptive questions, but not to answer causal questions or policy questions. Analyses of longitudinal data using adequate statistical models are crucial to disentangle selection and socialization processes in the emergence of perceptions.

In addition to the chronology of variables an important issue in the analysis of data on perceptions is the multi-level structure. In figure 2, we have separated country level, organizational level and individual level correlates of perceptions. It is important that empirical analyses of perceptions take these different levels into account using appropriate statistical models.

In terms of media perceptions of third sector activities, all the above mentioned challenges apply – and then some. As demonstrated in section 4, little research has been published in Europe on contemporary media perception of social innovation and civic engagement. Consequently, ITSSOIN shall do an original, comprehensive and comparative nine country-based framing analysis. The research takes its point of departure from theory-based ideal types related to advocacy and service provision (see figure 4), and the quantitative coding is supplemented by discourse analysis of the different value regimes at play in the mediated material – particularly aimed at identifying perceptions of movers and barriers for diffusion of social innovation and civil engagement.
6. References


