The third sector and welfare state modernisation: Inputs, activities and comparative performance

Civil Society Working Paper 14

Jeremy Kendall and Martin Knapp

December 2000

Abstract

This paper charts the economic contribution of the third sector in the UK, noting its significant presence in core welfare state fields, and setting it in comparative international context. It then offers a conceptual framework, the "production of welfare" approach, for analysing how the third sector "performs" in welfare states in terms of inputs and outputs. Efficiency, effectiveness, equity, advocacy, choice and participation are discussed in this context. Social and political pressures which make it imperative to examine efficiency in the particular case of social care for older people in Europe are then identified, and the third sector's "performance" in terms of economy, efficiency and effectiveness is explored.

Acknowledgement

This is an English version of a paper originally published in Spanish as 'Modernizacion del tercer sector y del Estado de Bienestar: aportaciones, actividades y rendimiento comparativo' in Santiago Muñoz Machado, José Luis García Delgado and Luis González Seara (eds.), *Las Estructuras del Bienestar en Europa*, Fundación ONCE, Madrid, 2000. We are grateful to the editors' encouragement with the paper. It draws heavily on the Mixed Economy of Care (MEOC) research programme undertaken jointly between PSSRU at LSE and the Nuffield Institute for Health.

About the authors

The authors are respectively Research Fellow at the Personal Social Services Research Unit (PSSRU) and the Centre for Civil Society (CCS), London School of Economics and Political Science; and Director, PSSRU, London School of Economics and Political Science.

Jeremy Kendall: Email: J.Kendall@lse.ac.uk; Tel: +44 (0)20 7955 6147; Fax: +44 (0)20 7955 6131
Martin Knapp: Email: M.Knapp@lse.ac.uk; Tel: +44 (0)20 7955 6225; Fax: +44 (0)20 7955 6131

Correspondence should be addressed to Dr Jeremy Kendall, Personal Social Services Research Unit, LSE Health and Social Care, London School of Economics, Houghton Street, London WC2A 2AE, United Kingdom.

The third sector and welfare state modernisation: Inputs, activities and comparative performance

Jeremy Kendall and Martin Knapp

CONTENTS

1 Introduction	1
2 The economic contribution of the UK third sector	2
3 The third sector as a productive actor	4
4 Care for older people: a partial application	7
5 Conclusion	11

The third sector and welfare state modernisation: Inputs, activities and comparative performance

Jeremy Kendall and Martin Knapp

1 Introduction

It is now something of a cliché to comment that organisations operating between the market and the state—variously labelled voluntary, non-profit or third sector organisations—are being rediscovered by politicians, academics and the media. From being a rather shadowy enclave on the periphery of the mental map of most social policy shapers, the multifarious contributions of these organisations have moved closer to centre stage.

One reason for this 'rediscovery' is disillusionment with market solutions, whose difficulties and failings include lack of attention to socially excluded individuals and communities, and chronic vulnerability to the erratic movements of the economic cycle and financial markets. Another reason is mounting distrust of approaches dominated by politicians, worries about state inefficiencies and inequities, and growing scepticism about the capacity of the state to deliver public services that match user expectations and increasingly diverse citizen aspirations.

But there has also been positive endorsement of the potential and actual contributions of third sector organisations. They are seen not only to offer choice and responsiveness in services, but also to provide opportunities for generating trust, civic virtue and 'social capital' via participation in community and public life. This has intrinsic value and is also deeply connected with local, national and international economic success. Controversially, some have argued that their contributions constitute a core ingredient of a 'third way' in the political domain.

Interest in the third sector is internationally widespread, although there is considerable variation in its size and scope (Salamon et al, 1999). Inter-country differences in the third sector's role as policy actor reflect, *inter alia*, contrasts in historical policy legacies, legal traditions, prevailing ideologies, state capabilities and styles of state intervention. Interest has also surfaced in international institutions, notably during the recent renegotiations of the European Treaties in Maastricht and Amsterdam, and through significant financial support as part of overseas development policies and via the EU structural funds (Kendall and Anheier, 1999).

In the UK, serious strategic public policy towards the third sector is emerging for the first time, supplementing specific policies in fields such as health, social care or housing. There have, of course, been distinctive legal and fiscal rights and responsibilities for charities for centuries, built on assumptions of ‘public benefit’, but these emerged piecemeal and were never really accompanied by purposeful, sustained or strategic attention from the state (Kendall and Knapp, 1996). That situation is now changing. The development of a national ‘Compact’ between the state and the third sector in late 1998 represents an unprecedented degree of symbolic recognition (Edelman, 1977). More concretely, central government has invested additional financial and political resources to strengthen its support for the third sector and for voluntarism. Arrangements designed to regularise consultation, feedback and review are being institutionalised for the first time (Kendall, 2000a).

This flurry of interest in the third sector, both in the UK and elsewhere, has been encouraged by the development, in recent years, of the first reliable measures of the sector’s economic scope and scale. Situations are much more likely to be regarded as possible (soluble or controllable) problems towards which policy can be formulated when such indicators are available (Kingdon, 1995). The contours of the third sector’s contributions to the UK macro economy are set out in section 2 below, with most attention paid to health and social care. Quantitative indicators *per se* tell only part of the story, of course; their accompanying interpretation is also critical. Section 3 therefore looks more closely at how the third sector can be a *productive* social and economic actor. In so doing it is necessary to move beyond the financial and human resource inputs reviewed in section 2 to focus on *outputs* and *outcomes*. Section 4 then examines the third sector’s roles in the field of care provision for older people. The performance of welfare state services is under particular scrutiny currently, and so this section includes consideration of the *comparative* performance of third sector, for-profit and state services.

2 The economic contribution of the UK third sector

Many definitions of the third sector have been propounded, and have generated at least as many arguments (Kendall and Knapp, 1995). To make our description of the UK third sector meaningful and internationally comparable, we employ Salamon and Anheier’s (1997) ‘structural-operational definition’. This distinguishes a sector comprising formally-constituted organisations which are simultaneously:

- Not profit distributing;
- Constitutionally independent from the state; and
- Benefiting from voluntarism (through donations or volunteering).

In 1995 the collection of all organisations meeting these criteria employed just under 1.5 million full-time equivalent paid workers, accounting for just over 6% of activity in the economy (table 1; all statistics below come from Kendall and Almond, 1999). Of course, these are not just welfare organisations—providing social services, health, education and other human services—but also arts organisations, sports and social clubs, environmental groups, international development organisations and others. The third sector's contribution to paid employment is thus clearly significant, but volunteering is its primary labour input. Aggregating all the hours of the sector's 16 million volunteers yields 1.7 million full-time equivalent employees. If these volunteers are included in the overall workforce calculations, the third sector provided 12.3% of the formal economy's human resources. The third sector expended £47.1 billion in 1995, 6.6% of Gross Domestic Product (GDP) as conventionally measured, or around 9% of (volunteer-adjusted) GDP. Three-quarters of all paid employment in the sector is concentrated in three fields, two of them core welfare state domains: education and research (42%), culture and recreation (25%), and social care (13%).

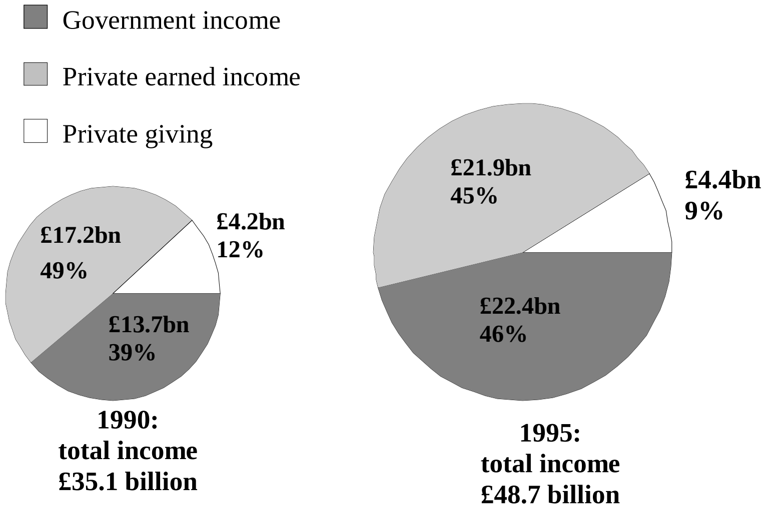
Table 1: The overall economic contribution of the UK third sector in 1995

Economic indicator	
Volunteer headcount ('000s)	16,311
FTE volunteers ('000s)	1,664
FTE paid employment ('000s)	1,473
Share of economy-wide paid employment	6.3 %
Total FTE paid and unpaid employment ('000s)	3,137
Per cent of economy wide employment including volunteering (all formal sectors)	12.3
Total expenditure (TE)	£47.1 billion
TE as share of GDP	6.6 %
TE including volunteers[a]	£67.6 billion
As share of volunteer-adjusted GDP[a,b]	9.2 %

Notes: a Assuming volunteer hours can be valued using mean non-agricultural private sector wage.
b Denominator includes value of volunteering in all sectors (including private, public, third and informal).

The sector grew significantly during the 1990s. For example, paid employment increased from 4.0% to 6.1% of full-time equivalent paid employment in the economy between 1990 and 1995. As the sector has grown, its resource base has changed, with a marked overall increase in reliance upon public sources and a decline in the relative importance of private giving (figure 1).

Figure 1 Sources of income, 1995 prices



The overall trends mask differences between policy fields or ‘industries’. Social care has been one noticeable area of growth, buoyed by government enthusiasm and resources for independent sector provision of community-based care. Some of these shifts in the character of the policy environment are underlying structural developments shared with other European states (see section 4), while others reflect circumstances peculiar to the UK. Whatever the ultimate drivers for change, one consequence in the UK has been greater policy engagement between the state and the third sector.

However, the main beneficiary of the new public priority attached to social care has been the for-profit (private) sector, populated mainly by small businesses (Wistow et al., 1996). A similar pattern of third sector growth alongside more rapid for-profit sector expansion also characterises some other maturing welfare ‘quasi-markets’, particularly mental health care and nursing home provision. In social care, the enormous contributions of informal carers (family members and volunteers not working through organisations) outstrip in volume terms the activities of the formal care services (Pickard, 1999; Knapp et al., 1996).

By international standards, the third sector in the UK makes one of the smallest contributions to health care (Salamon et al, 1999), with both finance and provision heavily dominated by the state-run National Health Service. The decision to nationalise the voluntary (third sector) hospitals in the 1940s contrasts with the compromises reached in other developed democracies, which allowed powerful political and religious interests to continue to run health care facilities, albeit increasingly supported financially by the state. ‘Market share’ data similarly reveal that the third sector is a *relatively* modest provider of social care compared to many other European countries (Kendall, 2000b), in part reflecting more limited opportunities available to for-profit operators in those countries. Because of ideological antipathy towards profit making in state-financed social care (Badelt, 1997) the third sector has often been the politically acceptable face for traditional styles of service delivery (including the churches) and for newer forms of social entrepreneurship (Evers and Svetlik, 1993; Defourny et al., 1999).

3 The third sector as a productive actor

The third sector is clearly important in economic life, particularly in the human services, begging questions about what this activity actually produces, and with what impacts. To answer these questions we need a framework for measuring the costs and consequences of human services that takes into account that much of the relevant activity is undertaken on a non-monetary basis, and where financial measures may not reflect true social value. The framework should also reflect that what is ‘produced’ is contingent upon processes of interaction in a social context, relying upon the development of trusting human relationships, and often involving complex, unanticipated results. That many of the third sector’s activities are of this kind is reflected in those parts of the third sector literature that seek to explain its existence and behaviour (see Kendall and Knapp, 1999, for an overview). These include approaches that stress the limitations of markets and government; those that identify asymmetric information, transaction costs and trust in particular fields and networks; and those in which the emphasis is on the ambiguities inherent in much of what the sector undertakes.

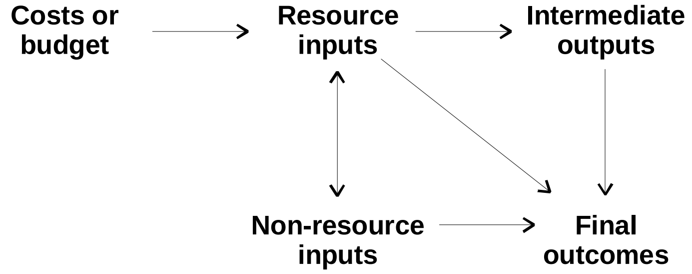
In explicating the logic of 'productive' activity, an analogy can helpfully be drawn with economics, using a proven approach in the evaluation of welfare services—the 'production of welfare' model (box 1; Davies and Knapp, 1981; Knapp, 1984). The approach builds on economic thinking because this is the discipline in which production has been most exhaustively examined, both conceptually and empirically, but is also consonant with thinking in other disciplines.

Box 1: The production of welfare approach

- The resource *inputs* to an organisation or activity, mainly paid staff, volunteers and capital.
- The *costs* of those resource inputs expressed in monetary terms (alternatively this could be the budget for an agency, which is used to purchase resource inputs, plus recognition of opportunity costs associated with, for example, the efforts of volunteers).
- The so-called *non-resource inputs* to the production of provision process, these being the influences on the achievement of outcomes (see below) which do not have an identifiable price or are not currently marketed (such as the social milieu of a community care setting, or staff attitudes and patient histories in a health care setting).
- The *intermediate outputs* or *intermediate outcomes*, which are the volumes of service output, probably with a quality requirement, and perhaps weighted in some way for user characteristics (casemix), produced from combinations of the resource and non-resource inputs.
- The *final outcomes*, which are changes over time in the welfare, quality of life and status (such as educational attainment or health) of service users and others.

Final outcomes (the goals of policy) are assumed to be influenced ('produced') by the volume and quality of services provided (the 'intermediate outputs'), which in turn are made possible by employing combinations of resource and non-resource inputs. Resources are procured by spending money (budget costs) and/or diverting them from alternative uses (opportunity costs).

Figure 2: The production of welfare



Taken together, these concepts and the relationships between them summarised schematically in figure 2 equip us to address a number of the criteria used explicitly or implicitly in discussing production. For example, *effectiveness* is explicitly concerned with improving the welfare of service users. *Efficiency*, also expressed in some contexts as cost-effectiveness, takes into account both outcomes and inputs, and is the concept to which many economists give most attention. *Equity* can refer to the achievement of distributional goals or fairness in access to, or use of services, or in levels of welfare itself. These are familiar criteria in the discussion of production, but the same model can be used to reflect a wider range of third sector contributions, each of which can be interpreted as directly or indirectly 'productive'.

The third sector is situated in an open and dynamic context, so that productivity should not be seen as just internally determined, but as reflecting proximate, relational environments. In other words, resource and non-resource inputs are embedded in a wider situation whose character they reflect. In particular, the networks emphasised in recent literature as important in generating trust and social capital (in turn, associated with efficiency gains) can be conceptualised as non-resource inputs in the meso (middle range) environment that cut across and congeal between organisational and sectoral boundaries (figure 3).

Figure 3: Feedback effects between levels

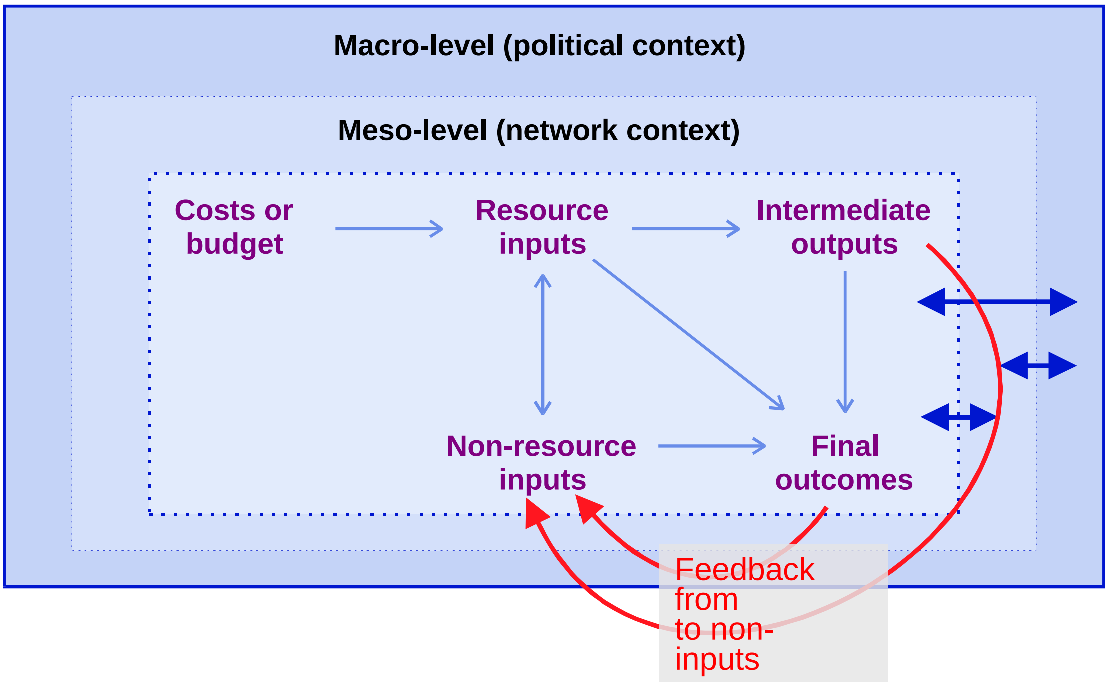


Figure 3 additionally makes explicit the extent to which activity also takes place in a macro-level political context, more remote from production than the meso-environment. For example, government budgeting decisions are shaped by political developments, which embed many resource inputs within the macro-context. Nationally sanctioned professional guidelines, norms and other hegemonic values can heavily influence key non-resource inputs. More remote still are the background ideologies and belief systems that cut across social and political life.

Third sector organisations are not passive recipients of their environments, but actively deploy resources so as to shape the networks within which they operate, as indicated in figure 3 by two-headed arrows linking different levels. For example, lobbying activities involve the goal-oriented mobilisation of resources into various forms of intermediate outputs—meeting government officials, organising conferences, arranging demonstrations—with the aim of effecting meso- or macro-level change (illustrated by arrows from the internal core to the outer layers of figure 3). Indeed, these are the primary activities of ‘social movement organisations’ (McAdam et al., 1988), although also undertaken by multi-purpose agencies that combine this type of political engagement with service provision (Evers, 1995). The preoccupation of sociologists with high-visibility activities with consequences for institutionalised social structures has tended to concentrate attention on macro- rather than more proximate meso-level implications. In fact, both activities are productive if they bring about changes in attitudes, opinions and state policies which result in heightened sensitivity to need. The arrow in figure 3 between the meso- and macro-environments represents the efforts of alliances or networks to engineer ideological or political change.

Finally, the feedback arrows in figure 3 from outputs and outcomes to non-resource inputs reflect the theoretical possibility that activities influence, intentionally or otherwise, the capabilities and motivations of participants as well as direct service users. That this happens in a benign way in the case of volunteers and members is one of the core arguments of scholars who stress the advantages of voluntarism, including social psychologists (Deci and Ryan, 1985; Schroeder et al., 1995); and political scientists (Putnam, 1993, 2000; Verba et al., 1996).

In sum, efficiency, equity, economy and effectiveness of services are probably necessary but not sufficient criteria for understanding ‘production’ in the third sector. It is also important to examine the roles of third sector organisations as agents of political and social change (*advocacy)* and as vehicles for wider *participation*. Other criteria whose achievement could be seen as means to ends, or valued in their own right, include the promotion of *innovation*, and the encouragement of *choice and pluralism* (Knapp et al., 1990; Kendall and Knapp, 2000a).

4 Care for older people: a partial application

It is helpful to look more closely at one particular field: support for older people within the publicly organised social care system. In the UK, as elsewhere, care for older people accounts for easily the largest share of resources devoted to social care (Secretary of State, 1998), and it simultaneously accounts for a large part of third sector activity (Kendall and Knapp, 1996). Ideally, although we might aspire to assess third sector productivity compared to the public and for-profit sectors against *all* of the criteria discussed in the previous section, data limitations force us to concentrate on economy, efficiency and effectiveness. (Whilst there have been studies which *imply* productivity by other criteria, these have not involved explicit inter-sectoral comparison. Examples are Osborne's, 1998, pioneering work on innovation, and descriptions of advocacy by Wertheimer, 1993, and Bernard and Phillips, 1998.)

We make no apology for our focus either on these particular criteria or on care for older people. Paul Pierson (1998) pinpoints a number of underlying pressures and constraints in the economic and political environments of all European countries with developed welfare states which are forcing cost and efficiency concerns to the top of the agenda. (On these general developments, see also George and Taylor-Gooby, 1996; Pierson, C., 1998.) One reason is that these countries have tended to institutionalise an increasing range of social welfare-related public commitments over the past 50 years, especially those designed to meet needs in old age through welfare services and pensions. Most European states now hold greater financial responsibility than ever before for older people in the population. Furthermore, the inexorable effect of demographic change is to reduce the ratio of workers to retired people. The scope for expanding state-funded formal provision is further hampered by perceived political and economic limitations on raising tax revenues, and the scope for economic growth is constrained by shifts in post-industrial economies. In particular, the move from manufacturing towards services involves more labour-intensive activity and relatively little scope for economising through standardisation or replication. It would also be wrong to assume that the informal sector, particularly the family, can expand its caring capacity to meet these greater demands (Wittenberg et al., 1998). Consequently, the ability of the state significantly to expand support for older people comes at a time when substitute provision may itself be under considerable pressure.

Large scale 'dismantling' of the welfare state to adjust to these new conditions is politically infeasible (Pierson, P., 1998). For a start, electorates are generally very supportive towards the welfare state, and there is widespread 'institutional stickiness' which follows from stakeholders' investment in existing arrangements, into which they become 'locked' and resistant to wholesale reform (*op. cit*, pp. 552–553). National policy makers can therefore neither abandon nor neglect welfare states. Instead they must 'modernise' and 'restructure'. Everywhere, 'cost reductions [are] a priority …[including] efforts to reduce inefficiencies in services provision' (Pierson, P., p. 557) alongside intense examination of the scope for reforming and extending pensions and other transfer payments without appearing to undermine the inter-generational 'social contract'. In Pierson's words, such a tightrope walk can be seen as an ongoing effort to reconcile the 'irresistible force' of post-industrial and demographic trends with an 'immovable and resilient' welfare state.

One of the strategies being examined and implemented by many European governments has been to alter the supply-side balance in publicly funded health and social care, in part on the premise that efficiency will be improved. Commonly, services have been contracted-out to the third and for-profit sectors under market-style arrangements instead of, or in addition to, more traditional forms of relationship (6 and Kendall, 1997). In the UK, non-state provision had already grown considerably during the 1980s through a combination of accident and design (Wistow et al., 1994; Kendall, 2000b). In 1990, the Conservative government introduced legislation to accelerate and institutionalise this trend, and the Labour government elected in 1997 has broadly continued this policy of supply-side diversification, although the language of competition and market forces has been replaced with that of co-operation and partnership. That political parties with different ideologies and constituencies should both promote such a policy is symptomatic of the pervasiveness of the underlying imperatives for reform, and suggestive of the extent to which they cannot be seen as merely part of neo-liberal or New Right agenda.

Against this backdrop, the available empirical evidence on actual "performance" paints a rather mixed picture. (Fuller accounts of this evidence are given in Kendall, 2000b, and Kendall and Knapp, 2000b). Some forms of care appear to be produced more economically by the third sector than other providers, even after controlling for the cost-raising effects of differences in user dependency. In residential care, where users are usually relatively dependent or vulnerable, the third sector charges lower fees than the for-profit sector, and is therefore less costly for public sector purchasers. The third sector also compares favourably to the other main provider—in this case, the public sector—in day care provision (day centres and clubs which people usually visit while still functioning well enough to be able to live in their own homes).

Different factors appear to be at play in residential and day care. There is a strong *supply* of volunteers to day care, including older people themselves, because of the opportunities it offers for social interaction and networking (argued in recent research to be the dominant motive for volunteering; Knapp et al., 1996). At the same time, there is effective *demand* for volunteers from day care providers because care tasks are relatively undemanding, users are relatively independent, and volunteer supervision is relatively straightforward.

In contrast, residential care is disfavoured by volunteers, and also seen as inappropriate by service professionals who take the view (now embodied in national regulations) that reliance on paid staff is the legitimate way to provide care for people vulnerable enough to require this form of care. Thus, the third sector cost advantage in this form of care does not stem primarily from volunteer inputs. Neither does it reflect major contrasts in managers' motivations (see below). Rather, important factors in keeping third sector residential care fees relatively low probably include its long history of provision and its distinctive legal environment. Significant segments of the third sector have access to investments, endowments and reserves with which to subsidise fees. (The source of income usually thought of as the primary means by which subsidy takes place—ongoing private giving—is sometimes relevant, but actually not as significant as usually assumed.) Few providers in the for-profit sector have had such long timeframes over which to build up resources and, unlike the third sector with its non-distribution constraint, operating surpluses could have been consumed by owners, rather than necessarily retained.

Third sector organisations are also more likely than their for-profit counterparts to operate multiple homes, giving them greater access to economies of scale. Another distinguishing feature is the tendency for third sector providers to have diversified in terms of both geography and service. Many deliver care services in a number of localities (with contracts agreed with more than one public authority), operate simultaneously in residential and other forms of care (including social housing), and/or provide for younger as well as older people. In contrast, most for-profit residential care is still delivered by single, free-standing homes contracted with one public sector purchaser (plus some private payers). For all these reasons, third sector providers are well positioned both to cross-subsidise and to benefit from economies of scope (Chandler, 1990).

Final outcomes are less straightforward to measure than costs, which makes it harder to assess comparative effectiveness and efficiency than comparative economy. However, there is evidence for residential care that the third sector is better then the for-profit sector in engaging residents in leisure and recreation pursuits (Kavanagh and Knapp, 1997). In other respects, however, inter-sectoral differences may not be large. It also seems that at least one aspect of non-resource input which is often assumed to differentiate the third from the for-profit sector—the motivations of managers—are quite similar in each sector. The for-profit sector has sometimes been branded as prioritising financial goals above meeting users' needs, an argument which is embedded in some strands of European ideology. In fact, there are rather limited differences between the motives of those who run residential homes as small businesses (the vast bulk of the for-profit sector in the UK case) and those who manage third sector residential care. Providers in both sectors are committed to meeting the needs of their clientele. A caring orientation is typically not incompatible with the achievement of the fairly modest financial rewards to which most small businesses in this field seem to aspire (Wistow et al., 1996; Kendall, 2001).

There is much less evidence relating to domiciliary services (care delivered to people in their own homes), mainly because this service was almost completely dominated by public sector provision until comparatively recently. Current work with colleagues under the Mixed Economy of Care (MEOC) programme undertaken jointly by PSSRU and the Nuffield Institute of Health is beginning to reveal some interesting differences. On average, the third sector may be *more* expensive than the for-profit sector. However, the third sector is probably less costly than public sector provision. Whether these cost differences are associated with inferior or superior outcomes is not known. Domiciliary care offers fewer comparative advantages to the third sector than other social care fields. Why? Volunteering is often not regarded as appropriate when care is being delivered unsupervised in the homes of vulnerable older people, and cross-subsidisation and scale and scope economies are less common since most operators in both the for-profit and third sectors are small, free standing, local agencies operating autonomously.

5 Conclusion

Awareness of those organisations operating between the market and the state has grown considerably in Europe in recent years, and in the UK the sector is now being 'mainstreamed' into public policy for the first time. We now have a better picture of the resource inputs to third sector organisations (summarised in section 2). However, attention is increasingly turning to the *consequences* of the activities made possible by these resources. In section 3, we therefore presented a general framework for conceptualising how these consequences—and particularly productivity—might be interpreted in the third sector. Section 4 then argued that certain dimensions of performance (efficiency, effectiveness and economy) are particularly pressing concerns across Europe, and examined them in one critically important welfare state field, care for older people.

We discussed some evidence on comparative inter-sectoral performance from England. We were able to compare performance on only a few of the potentially relevant criteria, but the third sector emerges as apparently superior in terms of efficiency and economy in some fields. This augurs well for its survival in a climate in which success in these terms appears increasingly critical, and in which competition is getting tougher. This is especially salient with the penetration of residential care and some other markets by larger corporate providers seeking to operate on a scale which could secure economies and efficiency improvements previously only achieved by third sector organisations. Difficult decisions will have to be made about the trade-off between long-term sustainability and short-term advantage. The third sector *may* also be able to argue superior 'productivity' or benefits by other criteria, such as equity and choice, although there is little systematic evidence either to substantiate or refute such arguments.

At the same time, the (positive or negative) effects of competition should not be exaggerated, especially since many third sector organisations operate in specialist markets in which, to date, the for-profit sector has shown little interest. The most obvious example is publicly funded day care. In fields like this, still relatively insulated from direct competition, the challenge will be to negotiate robustly and fairly with public purchasers in a climate of unrelenting austerity, rather than to respond competitively to other providers' strategies.

References

Badelt, C. (1997). Contracting and institutional choice in Austria. In P. 6, J. Kendall (eds), *The Contract Culture in Public Services*, Arena, Aldershot.
Bernard, M., and Phillips, J. (1998). *The Social Policy of Old Age: Moving into the 21st Century*, Centre for Policy on Ageing, London.
Chandler, A. E. (1990). *Scale and Scope: The Dynamics of Industrial Capitalism*, The Belnap Press of Harvard University Press, Cambridge, Massachusetts and London.
Davies, B. P., and Knapp, M. R. J. (1981). *Old People's Homes and the Production of Welfare*, Routledge and Kegan Paul, London.
Deci, E., and Ryan, R. (1985). *Intrinsic Motivation in Human Behaviour,* Polonium Press, New York and London.
Defourny, J., Laville, J-L., and Nyssens, M. (1999). *Service, Lien Social et Emploi*, Desclée de Brouwer, Paris.
Edelman, M. (1977). *Political Language: Words that Succeed and Policies that Fail*, Institute for the Study of Poverty, New York.
Evers, A. (1995). Part of the welfare mix: the third sector as an intermediate area between market economy, state and community, *VOLUNTAS*, *6*(2), 159–182.
Evers, A., and Svetlik, I. (1993). *Balancing Pluralism: New Welfare Mixes in Care for the Elderly*, Avebury, Aldershot.
George, V., and Taylor-Gooby, P. (1996). *European Welfare Policy: Squaring the Welfare Circle*, Macmillan, Basingstoke.
Kavanagh, S., and Knapp, M. (1997). The costs of external services for elderly people living in institutions. In A. Netten, J. Dennett (eds), *Unit Costs of Health and Social Care,* PSSRU, University of Kent at Canterbury.
Kendall, J. (2000a). The mainstreaming of third sector into public policy in the UK: Whys and Wherefores, *Policy and Politics*, 28(4), 541–62.
Kendall, J. (2000b). The third sector and social care for older people in England, Civil Society Working Paper No 8, Centre for Civil Society, London School of Economics, London.
Kendall, J. (2001). Of knights, knaves and merchants? The case of residential care for older people in England in the late 1990s, *Social Policy and Administration*, forthcoming.
Kendall, J., and Almond, S. (1999). United Kingdom. In L. M. Salamon, H. K. Anheier, R. List, S. Toepler, S. W. Sokolowski and Associates (1999), *Global Civil Society: Dimensions of the Non-profit Sector*, Baltimore: Johns Hopkins University.
Kendall, J, and Anheier, H. (1999). The third sector and the European Union policy process an initial evaluation, *Journal of European Public Policy*, *6*, 283–307.
Kendall, J., and Knapp, M. (1995). A loose and baggy monster: boundaries, definitions and typologies. In J. Davis Smith, C. Rochester and R. Hedley (eds), *An Introduction to the Voluntary Sector*, Routledge, London.
Kendall, J., and Knapp, M. (1996). *The Voluntary Sector in the United Kingdom*, Manchester University Press, Manchester.
Kendall, J., and Knapp, M. (1999). Evaluation and the voluntary (non-profit) sector: emerging issues. In D. Lewis (ed), *International Perspectives on Voluntary Action*, Earthscan, London.
Kendall, J., and Knapp, M. (2000a). Measuring the Performance of Voluntary Organisations. *Public Management 2*(1), 105–132.
Kendall, J., and Knapp, M. (2000b).Voluntary sector providers of care for older people in comparative perspective. In M. Harris and C. Rochester (eds), *Voluntary Organisations and Social Policy: Perspectives on Change and Choice*, Macmillan, London.
Kingdon, J. W. (1995). *Agendas, Alternatives and Public Policies*, Harper Collins, New York.
Knapp, M. (1984). *The Economics of Social Care*, Macmillan, London.
Knapp, M. Koutsogeorgopoulou, V., and Davis Smith, J. (1996). Volunteer participation in community care, *Policy and Politics*, *24*, 171–192.
Knapp, M., Robertson, E., and Thomason, C. (1990). Public money, voluntary action: whose welfare? In H. K. Anheier and W. Seibel (eds), *The Nonprofit Sector: International and Comparative Perspectives*, de Gruyter, Berlin and New York.

McAdam, D., McCarthy, J. D., and Zald, M. N. (1988). Social movements. In N. J. Smelser (ed), *Handbook of Sociology*, Sage publications, London.
Osborne, S. (1998). *Voluntary Organisations and Innovation in Public Services*, Routledge, London.
Pierson, C. (1998). *Beyond the Welfare State: The New Political Economy of Welfare*, Polity Press in association with Blackwell, Cambridge.
Pierson, P. (1998). Irresistible forces, immovable objects: post-industrial welfare states confront permanent austerity, *Journal of European Public Policy*, 5, 539–560.
Putnam, R. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, Princeton, New Jersey.
Putnam, R. (2000). *Bowling Alone: Th e Collapse and Revival of American Community*, Simon and Schuster, New York.
Salamon, L. M., and Anheier, H. (1997). *Defining the Nonprofit Sector*, Manchester University Press, Manchester.
Salamon, L.M., Anheier, H.K., List, R., Toepler, S., Sokolowski, S.W., and Associates (eds.) (1999). *Global Civil Society: Dimensions of the Nonprofit Sector*, Johns Hopkins University, Baltimore, Maryland.
Schroeder, D. A., Penner, L. O. A., Dovidio, J. F., and Piliavin, J.A. (1995). *The Psychology of Helping and Altruism: Problems and Puzzles*, McGraw-Hill, New York and London.
Secretary of State (1998). *Modernising Social Services: Promoting Independence, Improving Portection, Raising Standards*, Cm 4169, The Stationery Office, London.
Verba, S., Sclozman, K. L., and Brady, H. E. (1996). *Voice and Equality: Civic Voluntarism in American Politics*, Harvard University Press, Cambridge, Massachusetts.
Wertheimer, A. (1993). Speaking out: citizen advocacy and older people, Centre for Policy on Ageing, London.
Wistow, G., Knapp, M., Hardy, B., and Allen, C. (1994). *Social Care in a Mixed Economy*, Open University Press, Buckingham.
Wistow, G., Knapp, M., Hardy, B., Forder, J., Kendall, J., and Manning, R (1996). *Social Care Markets: Progress and Prospects*, Open University Press, Buckingham.
Wittenberg, R., Pickard, L., Comas-Herrera, A., Davies, B., and Darton, R. (1998). *Demand for Long-Term Care: Projections of Long-Term Care Finance for Elderly People*, PSSRU, London School of Economics, London.
6, P., and Kendall, J. (eds) (1997). *The Contract Culture in Public Services*, Arena, Aldershot.