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Institutional logics as a framework for understanding third sector development: An analysis of Quebec and Scotland

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We compare the development of the third sector in Scotland and Quebec, which have developed ecosystems that distinguish them from the liberal non-profit regimes of the UK and Canada. We employ an institutional logics framework to consider how the rules, practices, values, and beliefs of these ‘stateless nations’ have formed unique structures and identities of the third sector that diverge from their broader national context. Our model demonstrates how the development of the welfare state and approaches to implementing social policy, government-third sector relationships, civic nationalism and solidarity interact in an iterative process to create distinct third sectors.

Keywords: third sector, institutional logics, social economy, social origins theory, cross-national comparisons, welfare regimes, Scotland, Quebec

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1. Introduction

Multiple comparative studies have sought to understand the differences in size and make-up of the third sector in different countries (Matsunaga et al., 2010; Salamon and Anheier, 1997). Large-scale projects such as the Johns Hopkins Comparative Nonprofit Sector Project have developed typologies based on the size of the sector, relationships between the state and non-profits and sources of funding, classifying countries as either liberal, social democratic, corporatist or statist regimes. However, the categorisation of countries within ‘non-profit regimes’ ignores crucial sectoral variations between regions *within* nation-states characterised by federal or devolved administrations. This is the case in the United Kingdom (UK) and Canada where the state comprises sub-state nations with distinct histories, identities and cultures (Keating, 1997).

Unique historical contexts, geographic considerations and rooted local traditions all play an important role in shaping the third sector (Mazzei, 2017; Teasdale, 2012). In Scotland and Quebec, the development of social economy and community sector ecosystems are structurally, ideologically and practically at odds with the ‘liberal’ non-profit regime classification of their broader or ‘parent’ state contexts. Previous works have analysed how the third sector varies between Scotland and England (e.g. Alcock, 2012), and likewise between Quebec and the rest of Canada (e.g. White, 2012). There have also been numerous comparisons drawn between Quebec and Scotland in relation to pro-independence movements, sovereignty and conceptions of citizenship (Papillon and Turgeon, 2003). Far less attention has been devoted to the intersection between these areas of research, and the factors that shape the third sector in ‘stateless nations’.

In this paper we ask two interlinked questions: How can we understand the development of parallel models of the third sector in Scotland and Quebec that diverge from the dominant

discourses and structures of the UK and Canadian models? And what role have ‘civic nationalism’, identity and the implementation of social welfare policy played in these developments? Quite distinct from ethnic, or cultural, nationalism, civic nationalism is not based on a social boundary among groups, such as place of birth or ethnic origin. Instead, it is “based on common values and institutions, and patterns of social interaction. The bearers of national identity are institutions, customs, historical memories and rational/secular values” (Keating, 1996: 5–6).

Over the course of this article, we address these questions by offering a reflection on the literature and comparative analysis of government policies on the third sector, community and social economy in Scotland and Quebec. We employ a framework of institutional logics – the rules, norms of behaviour, values and ideas that structure organisations’ and actors’ actions (Lounsbury, 2007) – to illustrate the similar trajectory of third sector development in these two contexts. Our paper is structured as follows: In the next section, we review the existing literature that considers third sectors from a comparative perspective, with a particular focus on the literature regarding non-profit regimes. This is followed by a brief overview of the contexts under study. We then outline our analytical framework of institutional logics, and present our comparative analysis of the policies, structures, identities and values that characterise the third sectors in Scotland and Quebec. We close by discussing the iterative process through which distinct third sectors emerge within the context of ‘stateless nations’ (Keating, 1997), and present a conceptual model for how the various logics interact to shape third sector ecosystems found in such contexts.

2. Comparative research and typologies of the non-profit sector

Within Western democracies, the development of the welfare state, and the relationships between the government and civil society have resulted in third sectors that vary in size, scope, power and function. Third sector organisations range in size from volunteer-run grassroots community organisations to national or international charities and foundations and they engage in a range of activities including social service delivery, advocacy and political activities. As a starting point, Esping-Andersen's (1990) typology of welfare regimes is regularly used to classify countries by

the degree of commodification of social policy and social spending. This typology presents three ideal types: liberal, corporatist and social democratic. According to Esping-Andersen, liberal welfare regimes are characterised by low levels of welfare provision. Further developing this approach Salamon and Anheier's (1997) typology suggests that countries can be classified along similar lines as 'non-profit regimes' (liberal, social democratic, corporatist or statist). Each regime denotes a distinct pattern of relationship between the state and civil society, considering the 'social origins' of a particular regime.

According to Salamon and Anheier, a large non-profit sector and low government spending on social welfare provision define liberal non-profit regimes (contrasted to the corporatist and social democratic models). This regime, like the liberal welfare regime, is said to describe both the UK and Canada. Building upon this, Phillips and Smith (2014) explore third sector policy regimes in the 'Anglo-Saxon cluster'. They argue that there is considerable convergence around policies focusing on third sector transparency, financing and impact measurement. However, this analysis considers only England (rather than the UK as a whole) and differences between Canadian provinces (particularly between English and French speaking Canada) are not discussed.

To enhance this model of third sector policy regimes, Kenny et al. (2016) suggest a comparative model that is sensitive to the activist or advocacy roles of third sector organisations in the context of the welfare state, proposing seven ideal types of third sector (dual, welfare state, corporatist, collaborative, associative democracy, quasi-market and Southern models). They use the values and ideologies that shape government-third sector relations, the tools used to manage these relationships (e.g. contracts, partnerships, regulations) and the varying roles of the state and of the third sector in providing public services to differentiate the ideal types. The model presented by Kenny et al. (2016) therefore augments previous models that primarily focus on policy, funding and structures, with limited consideration of the values and ideology that characterise the third sector.

Crucially, these cross-national typologies ignore important linguistic differences and degrees of sub-national cultural diversity. As Casey (2016: 207) argues, the liberal frame is linked to English speaking countries that share cultural and historic arrangements around civil society, volunteering and philanthropy. These typologies fail to account for the fact that the population of Quebec, which makes up 24% of the population of Canada, is comprised of 85% native French speakers (compared to 3.8% in the rest of Canada), and belong to what some have referred to as a ‘stateless nation’ within Canada (Keating, 1997). Similarly, considering the UK as a homogenous state does not account for significant political and cultural divergences between the nations of the UK, which have become more apparent since the political devolution of Wales, Northern Ireland and Scotland from 1999. Since then, Edinburgh and Westminster have diverged on many policy areas relevant to the third sector. There have also been increasing efforts to revitalise minority languages in Scotland and Wales (Lewis and Royles, 2018).

The non-profit regimes/social origins of civil society approach also fails to account for the diversity of organisations within this sector (Will et al., 2018). In particular, the ‘social economy’ or ‘social and solidarity economy’ more appropriately represents the sector in some countries than the strictly legalistic or categorical approach of the non-profit school of third sector studies (Moulaert and Ailenei, 2005). The social economy is broadly defined as organisations that aim to benefit the community, are democratically governed and which privilege people over capital (Evers and Laville, 2004). Social economy encompasses not only organisations that place a limitation on the distribution of profits (e.g. non-profits), but also mutual organisations, cooperatives, and certain types of social enterprises. In countries with rich histories of unionisation and cooperatives such as France and Italy, but also Quebec, this is a more common way of conceiving the ‘third’ sector.

Typologising third sectors at the national level also overlooks the degree to which social policy decisions and government-civil society relationships are decentralised to a sub-state level in some countries (Hazenberg et al., 2016). For instance, a study in Russia showed significant variation between the non-profit sectors of different regions (Salamon et al., 2020). We take as a

starting point the argument underscoring the ‘social origins’ approach that non-profit organisations are ‘embedded’ in their social, political and economic contexts (Salamon et al., 2000), but these contextual variables are not necessarily homogenous across entire states. While the UK and Canada are consistently similarly categorised within the ‘liberal’ category of non-profit typologies (Salamon and Anheier, 1997), both have devolved a considerable amount of power from their ‘parent’ governments to the Scottish Parliament and Quebec Provincial Government respectively. After introducing our analytical framework, we will explore devolution and other material and symbolic elements as they further relate to the third sectors in Scotland and Quebec.

3. Analytical framework - Institutional logics

We employ a framework of institutional logics to enhance understanding of the structural, political and symbolic character of the unique third sectors in Scotland and Quebec. Institutional logics refer to the rules, norms of behaviour, identities and values that shape organisations’ and individuals’ understanding of their social world (Lounsbury, 2007). These logics are both material (e.g. structures and codified rules) and symbolic (e.g. assumptions and beliefs) (Thornton et al., 2012). According to Friedland and Alford (2012) and Thornton and Ocasio (2008), logics are linked to the main ‘institutional orders’ of society, or the market, state, community, family, religion, profession and corporation. While other approaches (e.g. historical institutionalism, which has regularly been employed in comparative studies of third sector/state relations, e.g. Steinmo, 2008) take a macro level approach to considering the role of institutions, the institutional logics approach allows us to consider the interaction between macro, meso and micro level factors, thereby providing a link between institutions and actions.

Institutional logics provide a valuable framework for understanding the third sector in different contexts. Some studies argue that third sector organisations are characterised as ‘hybrids’ between the market, state and community logics (Brandsen et al., 2005), and that a range of strategies are required to cope with these (potentially conflicting) logics (Besharov and Smith, 2014; Pache and Santos, 2013). However, some evidence suggests that third sector organisations

reactions' to multiple logics is context dependent. In McMullin and Skelcher's (2018) research in England and France, English organisations assimilated the market, state and community logics as predicted, but the French organisations exhibited a more seamless blend between the state and community, with little influence of the market. Their contextually situated analysis of the varying influence of different institutional logics provides the basis for this comparative analysis of the Quebecois and Scottish third sectors.

Employing an institutional logics approach allows us to consider the dual streams of influence that we hypothesise are responsible for the similarities between the Scottish and Quebecois third sectors. We operationalise this framework by drawing upon Thornton and Ocasio's (2008) approach, which posits that institutional logics are comprised of *structural*, *symbolic* and *normative* elements. Structural elements include government policies, funding and other regulations, while the symbolic aspect includes values, ideas and identities through which rules are made meaningful by actors (Scott, 2013). Finally, the normative refers to practices undertaken by individuals within organisations, or the "informal rules of the game" (Lowndes and Roberts, 2013: 58). Because our analysis is primarily theoretical and because there is limited research comparing the norms and practices of third sector organisations in Scotland and Quebec to those in the UK and Canada more broadly, we focus on the structural and symbolic aspects. Additionally, this paper is primarily concerned with how context and discourse shape and characterise the third sector at macro and meso levels, rather than the micro, organisational level, which is beyond the scope of this analysis. We therefore consider the degree to which state, community and market logics translate into shaping the structures and symbols associated with the third sector in each context.

4. Institutional logics and the third sectors in Scotland and Quebec

In this section, we employ our framework of institutional logics to analyse how structures, policies, identities and values characterise the Scottish and Quebecois third sectors in relation to their 'national' contexts. We discuss government policies regarding social services and the third sector in these two countries from a comparative perspective, and how these policies have supported the

growth of third sector ecosystems that diverge from these about the UK and Canadian contexts. Finally, we compare the dominant sector narratives, including the espoused values, identities and discourses.

4.1 Material elements: Rules, policies and structures

We begin our analysis with a focus on the structural elements that guide the development of the third sector in each context, focusing on devolution and sovereignty, the structural development of the third sectors, and finally the relationships between civil society and the state.

4.1.1 Sovereignty, devolution and politics

The development of the non-profit sector is inextricably linked to the development of the welfare state (Salamon and Anheier, 1997). The UK and Canada have followed similar trajectories of welfare state building: establishing welfare systems after the Second World War that were based on relatively limited transfers to the neediest in society, and engaging in public management reforms since the 1980s influenced by New Public Management (Dunleavy and Hood, 1994; White, 2012). However, the broader UK and Canadian experiences cannot be generalised to include Quebec and Scotland, where the impacts of politics, sovereignty movements and devolution have shaped both the welfare system and third sector in each context.

There are numerous studies comparing nationalism and sovereignty in Scotland and Quebec, both being sub-state nations that have experienced longstanding independence movements. Quebec is the only majority French speaking province in Canada, and this difference in language and culture underscored calls for independence for much of the second half of the 20th century. Quebec ran two narrowly defeated referenda for sovereignty in 1980 and 1995 (the second of which failed by less than a percentage point). Scotland joined with England to form the UK in 1707, but Scotland was able to maintain a distinct Scottish identity and approach to policy over the centuries. Calls for independence from the UK have grown significantly in recent decades, culminating in a referendum on independence in 2014, which was rejected by 55% to 45%. However, in contrast to Quebec, support for Scottish independence has grown steadily since 2014. As of late 2020, support

for independence was at its highest recorded level (with some 58% in favour) in part due to disapproval of the UK's response to COVID-19 and opposition to Brexit (Grant, 2020).

The impact of independence movements on the balance of powers and political differentiation between the federal-provincial and UK-Scottish governments has been significant. In both Scotland and Quebec, politics and political control also provide distinct contrasts from their neighbours. Both have strong traditions of social democracy and left-of-centre voting patterns: the province of Quebec was governed alternately by the Liberal Party and social democratic sovereigntist Parti Québécois (PQ) from the 1970s until 2018, when the centre-right Coalition Avenir Quebec party took power for the first time. Similarly, Scottish voters have consistently voted for left or left-of-centre parties with the Labour Party dominating Scottish politics since the 1950s. However, the left-of-centre pro-independence Scottish National Party (SNP) unexpectedly came to power as a minority government in the Scottish Parliamentary election of 2007, then in a system designed for no one party to win a majority, did just that in 2011, and won 56 out of 59 Westminster seats in the UK election of 2015. The SNP have maintained significant levels of dominance in every election since: although they were just one seat short of an overall majority in the Scottish Parliamentary elections of 2021, there remains a sizeable pro-independence majority in the Scottish Parliament when accounting for seats won by the Scottish Green Party.

As a federal country, Canada has devolved responsibility for health, education and welfare and to the provinces. The majority of the provinces have approached service design and provision in line with the national government's liberal welfare regime and the impact of New Public Management, focusing on performance management, accountability, efficiency and contracting services out (often to private sector providers) (White, 2012). However, Quebec invests more in social spending, and opposes privatisation and austerity (Jetté and Vaillancourt, 2011). The distinct linguistic, cultural and political tradition has been a defining cleavage between the province and the rest of the country. While the UK is not a federal state, the establishment of the Scottish Parliament prompted a divergence of social policy in Scotland from the rest of the UK. Since 1999,

and subsequent acts of devolution in 2012 and 2016, the Scottish Parliament has gained responsibility for a wide range of policy areas, including education, health, agriculture, economic development, social services and justice. Scotland essentially maintains all policymaking powers except those ‘reserved’ for Westminster (such as foreign policy). Devolution meant that many policy areas were transferred from London to Edinburgh, which included responsibility for areas relating to the third sector (with the notable exception of welfare, at least initially).

With the election of the SNP government, a clear division between Scottish third sector policy and the rest of the UK began to emerge. In 2008, the SNP-led Scottish Government launched their ‘Enterprising Third Sector Action Plan 2008-2011’, promising £93 million for the sector (Scottish Government, 2008). By contrast, three years later, the Conservative-Liberal Democrat Coalition Government in Westminster endorsed the idea of the ‘Big Society’, which promoted the transfer of responsibilities to communities, but with limited government or financial support. The 2008 Action Plan was an early indication of a distinct ‘Scottish approach’ to policymaking and the Scottish Government has since developed a reputation for “pursuing a consultative and cooperative style when it makes and implements policy in devolved areas (including health, education, local government and justice)” (Cairney et al., 2016: 333).

The question of sovereignty, rather than the question of ‘left’ versus ‘right’, is the political cleavage that tends to divide Quebecois and Scottish politics. This has important implications for the institutional logics that inform the third sector. First, the consistently left-wing presence in governance has meant that some of the traditional political cleavages that impact the third sector – such as the appropriate source of funding for the third sector (from government or private donations/contributions) as well as the extent of government support for the welfare state – are questions with a degree of consensus. Second, the common experiences of civic nationalism, devolution and the protection of a strong welfare state define the Scottish and Quebecois third sectors. Indeed, as Béland and Lecours (2016) argue, pro-independence political parties in both contexts have mobilised supporters by linking support for strong social policy to national identity

and the need for national sovereignty. In the second half of this paper, we will explore these more ideational and symbolic elements of the logics that underscore the development of the Scottish and Quebecois third sectors in greater detail. First, we turn to the historical development of both sectors.

4.1.2 Historical development of the third sector

Previous work has considered the degree to which third sector ecosystems have developed asymmetrically within the United Kingdom and Canada. Hazenberg et al. (2016) and Roy and Hazenberg (2019) note, for instance, that ecosystems have developed unevenly across the UK due to the impacts of socio-political divergences between Scotland and England, particularly since the 1970s. This divergence accelerated with devolution, which bolstered the political impetus for the more left-leaning Scottish Parliament to provide support for the third sector to deliver welfare services, and reinvigorate civil society by fostering the development of social capital and citizenship (Fyfe et al., 2006). Similarly, White (2012) contrasts the development of the third sector in Ontario and Quebec in Canada. She argues that Ontario's contract culture and prioritisation of market principles has stifled collaboration and advocacy in the sector, whereas Quebec's community sector maintains a more collective and 'socially militant' ethos. The social economy sector in Quebec has likewise been contrasted to the rest of Canada, where the notion of 'social economy' is underdeveloped (Mendell and Neamtan, 2010). From a comparative perspective, then, what do these sub-state third sector ecosystems have in common?

First and foremost, both the Quebec and Scottish third sectors can trace their development to similar roots within the early cooperative movement. Quebec's cooperative tradition can, in part, be linked to its French origins. The Desjardins Group was founded in Quebec at the turn of the 20th century and is now the largest federation of local credit unions and mutual aid societies in North America. Mutuals and cooperatives subsequently gained an important presence in agriculture, forestry, leisure and other sectors across the province, which contrasts to the rest of Canada where cooperatives maintain a far smaller presence. Indeed, while Quebec comprises 24% of the overall population of Canada, it is home to 39% of the country's cooperatives (Bouchard, 2009).

The ‘third sector’ in Quebec is now subdivided into three divergent subsectors – the social economy, the autonomous community sector and traditional service providing non-profits (White, 2004). While the third group essentially exist to provide health and social services on behalf of the government, the social economy and autonomous community sector are recognised by the government as independent actors. The social economy is defined as organisations that seek to respond to social needs whilst simultaneously creating jobs (particularly for those traditionally excluded from the workforce). These organisations are constituted either as cooperatives or non-profits who sell goods and/or services (Arsenault, 2018). Social enterprises that are not constituted as either non-profit organisations or cooperatives do *not* fall under the heading of social economy in Quebec. This is because collective ownership is a necessary component for inclusion in the social economy, as a means to ensure long-term sustainability and prevent selloffs to private for-profit businesses (Mendell and Neamtan, 2010).

While the term social economy in other countries (e.g. France) typically includes *all* non-profit associations along with cooperatives and mutuals, in Quebec some non-profit organisations explicitly chose to differentiate themselves from the social economy. These organisations, known as the ‘autonomous community’ movement, engaged in lobbying and consultation work during the period of ‘*concertation*’ in the late 1990s to be formally recognised as non-profits that explicitly reject participation in the market. The Quebec government agreed to provide core financial support to organisations that pursue a mission of social transformation while meeting a definition of being community initiated and community-rooted, democratically governed and free to determine their own mission. Autonomous community organisations are therefore in a unique position whereby they receive core funding from the government, but are also protected by law to engage in advocacy and critique public policy (White, 2012).

Scotland is not characterised by this type of bifurcation between the community sector and social economy, but there are important historical similarities in the sector’s development vis-à-vis England that parallel the Quebec versus rest of Canada experience. The cooperative movement

likewise played an important part of the foundation of the third sector in Scotland; in fact, the world's first documented workers' co-op was founded in Scotland in 1761 (BBC, 2011). Numerous other co-operatives were formed in the years after, and several Scottish co-operatives founded in the early 1800s are still in operation today (Roy et al., 2015).

In addition to cooperatives still operating in Scotland, the 'community business' model was prevalent in the late 1970s and 1980s, and actors from this movement developed an extensive advocacy and lobbying network. This ensured principles that defined the community business era were preserved as the vision for the Scottish Third Sector evolved (Murray, 2018). During this time, many third sector leaders in Scotland also engaged in conversations with social economy actors across Europe who informed the way many influential practitioners in Scotland started to conceive of third sector organisations as rooted in community empowerment and solidarity (Burt, 1988). Scotland's Voluntary Code of Practice for Social Enterprise is an example of a prominent document and set of principles upheld by many third sector organisations today that is based on social economy and community business principles (Murray, 2018). Organisations like SENS Scot also use the Code to position the roots and values of the third sector in Scotland as distinctly different from those in the UK:

In 2002, the UK Govt published an 'official' definition of social enterprise (SE) which was also adopted in Scotland. The ensuing years have seen a dramatic rise in the popularity of SE – but the government definition was never invested with sufficient authority to be effective... In response, the Scottish SE community has set down the values and behaviours by which we recognise each other (SENS Scot, 2012).

4.1.3 State- civil society relationships: Consultation and neo-corporatism

From a policy and structural perspective, the Scottish and Quebec governments have both signalled explicit support for the third sector as a major actor in several respects: as a partner in policy development, a key provider of social services, a creator of jobs and as an agent of advocacy and social justice protection. This framing of the third sector aligns with the model of New Public Governance, which is posited as a 'successor' to New Public Management, characterised by an shift towards partnership, networks and cross-sector collaboration (Osborne, 2006). While the UK

has long epitomised the New Public Management approach, before the turn of the century, Scotland had steadily built up wide, community-based policy networks where key actors were considered partners in the policymaking process. In emphasising community-based policy networks, Scotland approached mutualisation and the third sector in a way that further distinguished it from the rest of the UK (Midwinter and McGarvey, 2001).

In Quebec, the autonomous community sector and social economy have developed unique, codified relationships with the provincial government that are inconsistent with the typologies and models of neoliberal characterisation of Canada. In the late 1990s, a series of concerted efforts by social movements began to pressure the provincial government to invest more resources and policy support into social service provision and the creation of better jobs, particularly for women. In 1996, the Premier of Quebec invited representatives from social movements, community organisations, trade unions and businesses to discuss the economy and employment. This summit began a long-term approach of '*concertation*' or multi-stakeholder dialogue and consensus-building between these diverse groups. This approach has become known as the Quebec Model of Social Development (Bourque, 2000). Although some argue that this model is in decline because of the influx of neoliberal principles (Bouchard et al., 2005), social economy and autonomous community organisations continue to have an important voice in policy and decision-making.

Through this process of multi-stakeholder dialogue, the provincial government agreed in principle to support the creation of a range of financial mechanisms and policy support for the third sector and has formalised these relationships through policy frameworks (Gouvernement du Québec, 2014). The access and right to different kinds of funding is one of the key elements that officially differentiates non-profits that belong to the social economy from those that belong to the autonomous community sector. Organisations that meet the officially recognised definition of autonomous community organisation are guaranteed core funding from the provincial government (although must seek grants and contracts for their particular activities/services). Non-profits (as

well as cooperatives) that choose to engage in market activities, and therefore associate themselves with the social economy, are eligible for a range of innovative social investments (Mendell, 2009).

The social economy and autonomous community sector tend to operate in parallel but through similarly structured channels. Both sectors are represented through complex networks and umbrella bodies, which are organised for both regional and sectoral interests. These are generally organised ‘horizontally’; they are deliberately non-hierarchical, aiming to encourage the democratic participation of their members, to effectively represent sector interests. These ‘horizontal organisations’, combined with grassroots social movements, help the community form counter-elitist narratives that do not conform to those of their ‘parent’ states (Della Porta et al., 2019). Such organisations include the Chantier de l’économie sociale, which was established in 1997 to represent the social economy and promote social finance initiatives, and the Réseau québécois de l’action communautaire autonome (Quebec network of autonomous community action), which represents the community sector. These umbrella or network organisations operate only as far as the provincial level, with few relationships at the federal level. This is in part due to the language divide, but also to the vast differences in the public policy, working style and government-non-profit relationships between Quebec and the rest of Canada.

Like Quebec, Scotland has a large number of network organisations that exist to support social and community enterprises, like Social Enterprise Scotland and Social Enterprise Network Scotland (SENScot), as well as longstanding support bodies like Community Enterprise in Scotland (CEIS). While Scotland was slower than England to embrace the idea of social enterprise, since the SNP came to power in 2007 the Scottish Government enthusiastically engaged with, and promoted, the concept (Roy et al., 2015). There has been a plethora of policy initiatives designed to support the growth and development of social enterprise in Scotland, culminating in the publication of Scotland’s Social Enterprise Strategy 2016-26, a 10-year strategy jointly developed with the sector (Scottish Government, 2016b). The Scottish Government has also carved out an international leadership role in social enterprise development worldwide, becoming the first

country to have a dedicated international strategy for social enterprise (Scottish Government, 2016a). Scottish politicians have proclaimed Scotland as ‘the most supportive environment in the world for social enterprise’ (Roy et al., 2015) and ‘placing Scotland’s blueprint for social enterprise on the world stage’ (Scottish Government, 2016a: 5) has become a Government aim. The voluntary and community sector, meanwhile, is represented by the Scottish Council for Voluntary Organisations (SCVO) (Osborne and Super, 2010). The Scottish Government also developed a comprehensive approach to supporting the third sector’s ability to participate in local community planning through a Third Sector Interface in each local authority area in Scotland.

In terms of funding, the differences in sources of financial support between Quebec and the rest of Canada, and between Scotland and England, are notable. The fact that Quebec autonomous community action organisations receive guaranteed funding from the provincial government and that social economy organisations are eligible for targeted financial mechanisms is unique within Canada. In Scotland, while the third sector receives comparatively higher levels of funding per capita than England, Scotland has seen nowhere near the levels of involvement by third sector and private providers in the delivery of public services. The ‘quasi-marketisation’ of many parts of the public sector in England – most prominently seen in England’s National Health Service (NHS) – has simply not happened in Scotland to any meaningful extent (Mason et al., 2019). Scottish policymakers have viewed this as being antithetical to the ‘Scottish approach’ mentioned earlier. This has left the third sector in Scotland somewhat disadvantaged when it comes to bidding for large-scale public sector contracts, at least compared to the opportunities opened up to the sector in England. However, third sector organisations have played a leading role in establishing various Government-backed initiatives in Scotland since at least the 1980s onwards, with the creation of ‘Intermediate Labour Market’ interventions to address unemployment (Lindsay et al., 2014). Later the Christie Commission on public service transformation in Scotland re-emphasised the third sector as a critical partner in the reform of public service delivery (Christie, 2011).

4.2 Symbolic elements: Values, beliefs and identities

As we have illustrated, institutional logics manifest in the rules, policies and structures that define the Quebec and Scottish third sectors in ways that diverge both from their broader state-level contexts and their tradition as liberal non-profit regimes. The institutional logics perspective also allows us to consider the less tangible aspects that characterise organisations and their behaviour. Here, again, important similarities between the two contexts are attributable to the fact that both Quebec and Scotland are sub-state nations, or ‘stateless nations’ (Keating, 1997). In this section, we turn our attention to the more symbolic and non-material aspect of institutional logics, including the notions of community, solidarity and national identity.

4.2.1 Identity and civic nationalism

As we discussed, Quebec and Scotland are perhaps most commonly compared in relation to their status as sub-state nations and their sovereignty movements, which have informed both the structural aspect of institutional logics that shape the sectors as well as immaterial elements. The growth of independence movements in both contexts has been linked to reactions against welfare state reform or retrenchment in the UK and Canada, as both Scots and Quebecois rallied in solidarity for defence of social welfare (Béland and Lecours, 2008; McEwen, 2006). This growth of collective identity surrounding social policy can thus be seen as playing a key role in shaping the Quebec and Scottish third sectors in contrast to their Canadian and UK contexts. In Quebec, the development of the welfare state not only fostered the Quebec provincial government’s efforts to distinguish itself as a social democratic province, but also supported a burgeoning unique national identity as Quebecois, rather than French Canadian (Papillon and Turgeon, 2003). In a 2018 update to Quebec’s Social Economy Act, the preamble alludes to this collective national identity noting that “social economy enterprises are based on collective values that are reflected in various ways in the enterprises’ structure and method of operation, and give rise to a sustainable solidarity economy” (Gouvernement du Québec, 2018: 1).

Similarly, in Scotland political devolution played a role in shaping the formal enablers and constraints on non-profit organisations (in the form of official policies and funding mechanisms available). It also supported a sense of Scottish differentiation from the rest of the UK (or, more accurately, different from *England*) in terms of community orientation and solidarity. One of the unwritten rules of the ‘Scottish approach’ to policymaking seems to be that Scotland should not follow – and as far as possible should be seen to be doing the opposite of – what the government in Westminster is doing at any given time. In Scotland’s Social Enterprise Strategy for example, there is an entire section devoted to outlining how social enterprise will help in “Delivering on our Ambitions for Scotland” particularly as it relates to tackling inequality, an ability to “contribute to place and regional cohesion” and “ensure everyone is able to live in a fairer, happier and healthier country, where all people are valued and able to achieve their potential” (Scottish Government, 2016b: 13–20). Such an approach, at least according to their contrasting popularities with the Scottish electorate, has proven to be a highly effective strategy for the Scottish Government. This is despite the fact that many Scottish policies have come to be described by some commentators as a “tartan version of the Third Way” and that the Scottish establishment is actually quite far away, in reality, from being “innately progressive” (Davidson et al., 2016: 55), particularly in relation to addressing issues such as land ownership reform.

4.2.2 Sector narratives: Values and beliefs

The second non-material element of the institutional logics that shape the third sector in Scotland and Quebec are the narratives of the sector, or the stories that organisations tell in order to position themselves (Feldman et al., 2004). Narratives allow us to ascertain the values and beliefs that are unique to the sector. In both Quebec and Scotland, opposition to neoliberalism, solidarity and notions of collective identity are translated into the narratives of the third sector in ways that further distinguish them from the rest of Canada and England.

The rise of neoliberalism during the 1980s served to highlight the difference in political ideology between Scotland and its southern neighbour. Radical reforms and cuts made by Margaret

Thatcher “were viewed by many Scots as violating not just the welfare tradition of the ‘post-war settlement’ but also deeper conceptions of community and solidarity, long thought of as integral components of Scots culture” (Roy et al., 2015: 785). Likewise, in Quebec, there has been similar opposition to the introduction of neoliberalism which has been demonstrated through multiple waves of student movements/ protests as well as ardent opposition in the autonomous community sector to any efforts to curtail their advocacy function or introduce market ideologies (White, 2012). Quebec’s third sector narrative focused on the importance of solidarity is more in line with the French third sector tradition than the English Canadian tradition (McMullin, 2019). This can be seen, for instance, in annual reports, mission statements and other organisational documents. For instance, the government action plan for the community sector, argues that “Numerous decision-making bodies can now draw upon the expertise and vision of the community sector in matters of social justice, solidarity, full participation in society, and, most importantly, the quality of life and well-being of our society as a whole” (Gouvernement du Québec, 2001, p. 3).

Scottish third sector organisations also demonstrate their roots in solidarity through similar documents. The sector there continues to be rooted in community business principles influenced by European social economy actors who emphasised collaborative, inclusive policymaking, similar to what Quebec has embraced. Scotland’s Social Enterprise Strategy “demonstrates how enduring values – a belief in enterprise, a commitment to fairness, equality and solidarity, and a passion for democratic engagement – can be delivered through social enterprise, to make Scotland a fairer and more prosperous country, improving outcomes for all of Scotland’s citizens” (Scottish Government, 2016b).

Finally, notions of collective identity, linked to the idea of civic nationalism, are important in our two contexts. Della Porta et al. (2019) explore the idea of aspiring ‘would-be states’, their employment of social justice narratives and the important role of grassroots social movements and ‘horizontal organisational forms’ as a means of forming an alternative, counter-elitist narrative to that of the central or ‘parent’ state, arguing that more inclusive collective identities tend to be

formed from this process. Although drawing primarily on Scotland and Catalonia, Della Porta and colleagues' ideas also resonate with the recent experience of Quebec.

5. Discussion: Third sector development and institutional logics

Figure 1 presents an illustration of how historical roots and forms of political power constantly interact to shape distinct third sectors in the stateless nations of Quebec and Scotland. From the political perspective, devolution and sovereignty in Scotland and Quebec allowed their national and provincial governments to protect the welfare state and develop a system where citizens collaborated on policies to advance welfare systems. This embrace of neo-corporatism and collaborative governance is also facilitated by third sectors historically rooted in cooperative traditions and an ethos of collaboration. This ethos has led to extensive and supported ecosystems (through support organisations, supportive finance and other mechanisms) in Quebec and Scotland.

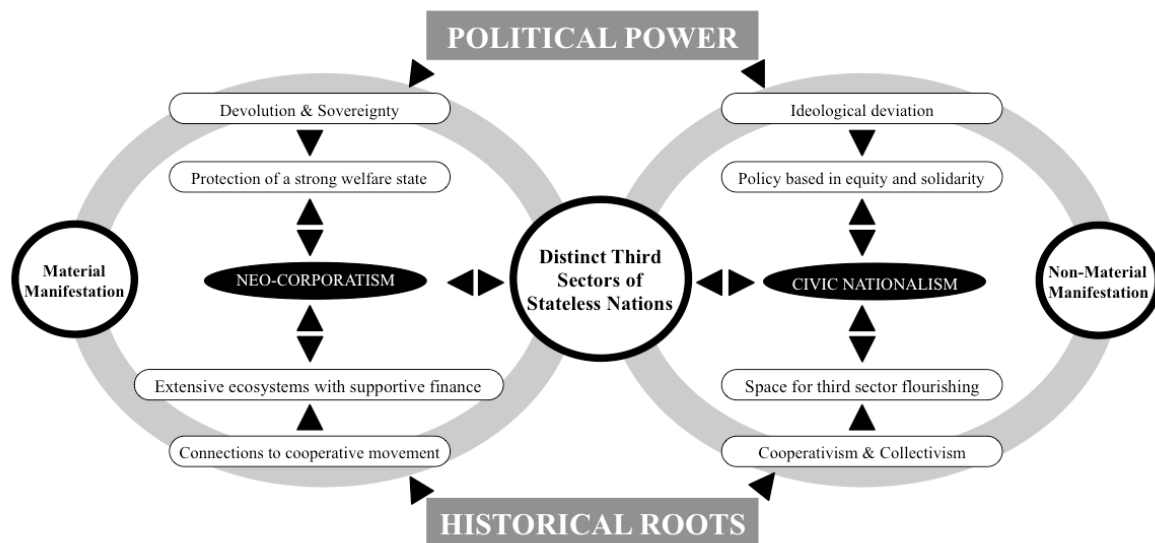


Figure 1

While the third sector ecosystems and the governance structures that guide Scottish and Quebecois political systems are more visible, the symbols, values, beliefs and identities held and embraced by both the people and the third sectors in these 'stateless nations' are equally important. Both the political and historical context affect the values and opinions Quebecois and Scottish people hold about policymaking and the third sector. These values about the purpose of the public and third sectors contribute to an embrace of 'civic nationalism' and a belief that the ethos within

these stateless nations further distinguishes them from their ‘parent’ nations. All of these historical and political influences, structures and ideologies, interact with one another over time to foster unique environments where the principles of co-production and civic nationalism drive the emergence and promotion of distinct third sectors.

6. Conclusions

Considerable previous work has compared some of the differences between Quebec and the rest of Canada, and Scotland versus England and the UK, but there has been less work comparing parallel development of third sector ecosystems in ‘stateless nations’. As we have demonstrated, the institutional logics that have shaped the development of the third sectors in Scotland and Quebec have resulted in third sector ecosystems that provide distinct contrasts to their broader country context. While we see similar patterns in terms of the welfare state and the local approaches to implementing social policy, government-third sector relationships, civic nationalism and solidarity, it is through an iterative process of interaction of these elements that has created distinct third sectors.

Although the focus of our study is on Quebec and Scotland, this model has implications for our understanding of sub-national third sector ecosystems in other contexts, particularly countries characterised by similar stateless nations, such as Catalonia and the Basque country in Spain or the differences between Flanders and Wallonia in Belgium. Our model addresses a shortcoming in current comparative models of the third sector which rely on the nation-state as the level of analysis. In particular, our use of the institutional logics perspective allows us to advance the social origins perspective that Salamon and Anheier (1997) created to explain how different non-profit sectors in different states develop into diverging non-profit regimes. We have built upon this by examining not only the structural and historical roots of the sector, but also the symbolic elements of identities, narratives, and values. Future research applying this model in other contexts would provide a more nuanced picture of the range of third sector ecosystems and public policy orientations that operate below the level of the nation-state. Furthermore, additional research comparing the normative

elements of third sector organisational practices in Scotland and Quebec to those in the UK and Canada would further enhance the nuance that our model lends. Such work would complement the work of those who have examined the disjuncture between policy rhetoric and implementation in practice, as well as the differences between perceptions of policy aims and the realities of outcomes.

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