Abstract

The core aim of Mark Latham’s Third Way-style policy proposals is to promote the revivification of civil society as part of the renewed pursuit of the common good. I critically examine this core aim with reference to Mark Latham’s proposed changes to income support. I claim that Latham’s tendency to focus on disadvantaged communities as sites of normative dysfunction only reinforces the traditional conceptual division between deserving employed citizens and undeserving income recipients. It also neglects the real difficulties experienced by mainstream communities, such as the growing time deficit in working households. I conclude that Latham misses a real opportunity to re-legitimise collective provision and revive the social sphere using a universal rather than a residual policy perspective that shows concern for the well-being of all Australian citizens.

Introduction

Third Way theory promotes increased civic participation as a way of pursuing a reinvigorated social justice agenda that steers a middle path between social democracy and economic fundamentalism (Giddens 1998:128, 164). In the Australian context, Third Way advocate Mark Latham prescribes a re-configuration of civic rights and responsibilities using a communitarian model of state funded, community-based services. His intention is to encourage civic participation, thereby providing renewed legitimacy for the idea of collective provision. Because of the Third Way preference for policy

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1 This is the author’s final corrected manuscript. Deposited into USQ ePrints in accordance with the copyright policy of the publisher (Australian Council of Social Service)
proposals that focus on governance models and civic relationships over structural causes of inequality, critics have referred to it as Thatcherism with a happy face (Scanlon 1999:25), or as a clever repackaging of the status quo (Edelman 1999: 3). Indeed, in Australia, Rob Watts (2000: 159) suggests that Mark Latham’s interpretation of Third Way theory is actually a reworking of the 1980s Hawke-Keating Labor Government ‘active society’ policy framework on which recent contractual unemployment policies such as Mutual Obligation are based. While I agree with these criticisms, I would argue that Latham’s aim of achieving civic renewal is important, particularly as a way of renewing collectivism for the pursuit of social justice and individual well-being. Nonetheless, While Latham intends, laudably, to encourage civic participation and provide renewed legitimacy for the idea of collective provision, his model fails to promote such participation for a broad range of citizens.

There are several relevant key components of Third Way theory. Latham and British Third Way advocate Anthony Giddens focus on the potential of community and civic responsibility as ideal mechanisms for the pursuit of the common good in a globalised world. From this perspective, three elements of Latham’s policy proposal for income support programmes, which are based on his interpretation of the Third Way agenda, require some analysis. Firstly, the new social contract, which underpins Latham’s suggested income support proposals, will not revitalise collectivism as he hopes since it tends to reproduce existing social divisions that undermine the basis for collective provision. Secondly, these divisions are echoed in his interpretation of social capital, where affluence and civic activity are contrasted with poverty and civic inactivity. Indeed, the tendency of both Latham and Giddens to conflate work with civic activity ensures that the good civic behaviour of employed, middle-class citizens is largely taken for granted. Finally, this theoretical oversight tends to ignore a significant barrier to civic participation faced by employed, affluent citizens: that of excessive working hours. I conclude that in order to bring about civic renewal and revive collectivism, Latham must pursue universal policies that aim to enhance the well-being of all citizens.

Third Way
As a political theory the Third Way can be largely attributed to Anthony Giddens, the progenitor of Latham’s work. According to Giddens, the continued dominance of the economic sphere, combined with the waning power of the nation state in a globalised world, requires a re-configuration of civic rights and responsibilities of both the state and its citizens. Consequently, ‘the overall aim of third way politics should be to help citizens pilot their way through the major revolutions of our time: globalisation, transformations in personal life and our relationship to nature’ (Giddens in Conlan 1998).

The Third Way is conceived as a method of steering government policy between the two poles of interventionist social democratic governance and the hands-off laissez-faire approach often associated with globalisation. Third Way theory prescribes a form of state intervention that emphasises the devolution of government (to a community level) and the revitalisation of the civic sphere as preferred ways of mitigating the worst effects of a globalised market. This approach is contrasted with what Giddens regards as outmoded top-down programs that ‘engineer’ equality through the redistribution of social and economic goods. Instead, Third Way theorists propose policies that enable communities to improve their economic and social well-being through increased civic and democratic engagement (with devolved state services and community groups). According to Giddens (1998:110), the localisation of governance must occur through a combination of government and non-government provision. As a part of their increased civic activity citizens must also become more responsible for the consequences of their actions. This is because, as a consequence of globalisation, the nation state is less able to intervene actively on behalf of its citizens. Giddens frames this new social contract in terms of encouraging individuals to take unspecified risks: ‘In more actively restructured institutions, you often want to encourage people to take risks, rather than stopping them from doing so’ (1999: 5).

**Collectivism and Latham’s New Social Contract**

For Latham too, an emphasis on civic responsibility underwrites the new social contract between the ‘modernised’ state and its citizens.
He asserts that civic responsibility is one of the informal rules of society: ‘the obligations people work out among themselves without interference from government or economics’ (Latham 2000:9). From this perspective, traditional centralised models of social provision are seen as inherently undesirable since, Latham (2001b) claims, they encourage ‘passivity’ and ‘dependency’, particularly amongst recipients of income support. More significant for this paper is his claim that traditional models of income support also weaken the collective impulse.

Latham (1997: 1-2) believes that a new contract is required because increased social and economic expectations, the erosion of traditional values, demographic change and scarce state resources have all served to weaken collectivism. He argues that recent economic and social restructuring has produced a 30/40/30 society. The top 30 per cent of citizens have competitive skills, high productivity and growing incomes, the middle 40 percent have jobs but no security, and the bottom 30 per cent are outside of the production process: ‘the unemployed, the chronically ill, and elderly’ (Latham 1997:4). Latham claims that the instability of the present social contract comes from insecure 40 per cent of middle income earners who resent the guaranteed income, which the bottom 30 per cent of citizens receive from the state. Rather than keeping to the traditional view of capital versus labour he argues that employed, middle-class Australians now express ‘downward envy’, where welfare recipients rather than wealthy Australians are held responsible for an increasing sense of economic precariousness (1997:4). Tony Eardley and George Matheson confirm that ‘by international standards, Australians appear to take a relatively hard line on the responsibilities of unemployed people’ (2000: 99). Aside from a growing sense of economic insecurity, Latham’s analysis suggests that this middle-class resentment stems from a perception that they are eternal contributors to the welfare state. From this perspective, in order to build a new sense of legitimacy for state provision, middle-class Australians must be reassured that institutional arrangements are not being abused.

2 Itself a debatable assertion that I will not engage with here. There is a lengthy discussion on welfare dependency in my doctoral thesis: Sara Hammer *The Rise of Liberal Independence and the Decline of the Welfare State*: Brisbane, QUT.
Latham (1997:12) claims that current institutions of social provision do not create ‘behavioural visibility for stakeholders to the commons’ so that citizens are forced to rely on information presented in the mass media, which feeds their perception that ‘free riders’ are endemic. He suggests, therefore, that social provision should be devolved to a local level and handed over to a state-funded community network of Non-government Organisations (NGOs). He claims that this provisional structure will encourage self-governance, which by extension, ‘forces citizens to take and manage risks in the realisation of their needs and interests’. As an added advantage, however, using this structure will also make recipients more visible and enable citizens and social entrepreneurs to more easily spot ‘free riders’ and take appropriate action (Latham 1998: 302-303). Thus, the locus of centralised coercion and surveillance is transferred from the state to the community. This institutional design is intended to reassure middle-class stakeholders by giving them a direct hand in running institutions of collective provision.

Yet the realities of implementing such a policy remain unclear. By ‘citizens’ does Latham mean those already employed by NGO, advocacy and charitable institutions, or does he refer to citizens in the more general sense of the term? If citizens and ‘social entrepreneurs’ are those already working in non-government welfare organisations then Latham’s proposals merely represent an extended charity model, with government providing a greater percentage of funding. At first glance, Latham’s definition of social entrepreneurs seems to confirm this interpretation:

social entrepreneurs come from a range of backgrounds, such as churches, welfare agencies and community organisations. They can also emerge from the public sector—middle managers that have been liberated from the bureaucratic rules and methods of government (Latham www.thirdway-aust/com).

Catherine McDonald and Greg Marston (2002: 6) agree with this interpretation, suggesting that within communitarian theories such as the Third Way, ‘the community sector is positioned as the ideal site for meeting social need and constructing ideal citizens, while the
state accepts an increasingly residual function’ (McDonald & Marston 2002: 6).

If community groups and social entrepreneurs are to take over the administration of welfare programs then it is difficult to position ordinary, employed citizens within the Third Way concept of ‘active citizenship’. Latham (2001a:9) does appear to endorse active citizenship in his vague directive that ‘people shouldn’t be campaigning for better services, they should be running them’. However, if he does intend for all citizens to become more active in the civil sphere, then two problems immediately present themselves. First, how will fully employed citizens find the time to realise their needs and interests at a community level? It is difficult to see how replacing state provision with a community network model will achieve this. Research shows that ‘expressive’ forms of civic activity (including artistic expression, advocacy, quality of life issues and political mobilisation) are higher where the state adequately meets the basic needs of its citizens (Salamon & Sokolowski 2001: 15-18). Based on this interpretation of civic activity, devolving essential services for disadvantaged groups does nothing substantial to enhance the civic health and well-being of the wider community. In fact, based on an ‘active citizen’ interpretation of Latham’s policy proposal, making the community responsible for the provision of basic services may put more time pressure on already overworked citizens. In any case, Latham’s idea that the appeasement of relatively affluent, employed Australians could be achieved by devolving coercive income support systems to a community level is debatable. This strategy is based on his assumption that the traditional Australian welfare system demanded no obligations of its recipients. However, since the extension of welfare provisions after 1941, those outside the labour force who have been offered a minimal, means-tested ‘safety net’. Unemployment benefits, in particular, have always been targeted at the poorest citizens and have always required some form of work test (Tulloch 1979: 47).

More significant for the decline of collectivism is the tendency of the Australian system of social provision to represent generic ‘welfare’ as cash transfers only; a concept that encourages working citizens to conceive of themselves as perpetual contributors who do not benefit from collective modes of provision. This is despite the existence of universal welfare programmes such as health and education, as well
as tax-based welfare such as rebates. Conversely, income support recipients tend to be stigmatised as the highly visible recipients of public largesse (Baume 1995: 196-204; Quiggin 1997). There is no indication that Latham’s proposed policies will do anything to change this dynamic. In fact, it could be argued that community-based income support will actually heighten the visibility of recipients within their own communities. While visibility need not have negative ramifications for target citizens of policy changes, Latham’s assumption that the management of ‘free-riders’ is a primary function of welfare systems will ensure that the coercive logic of current modes of state-based income support prevails.

As a consequence, Latham reinforces the largely artificial distinction between ‘independent’ workers and ‘dependent’ welfare recipients already reflected in current Australian welfare discourse. This dichotomy is reflected in Latham’s assertion that ‘the large, centralised bureaucracies of the welfare state appear to be out-of-step with an increasingly self-reliant electorate’ (Latham 1997: 3). Therefore, Latham’s argument that collectivism has been undermined by an unbalanced philosophy of welfare entitlement does not appear to hold. Instead, the divisive logic reflected in the conceptual division of residual and universal areas of social provision weakens collectivism and undermines the legitimacy of the welfare state. As Giddens himself argues:

Only a welfare system that benefits most of the population will generate a common morality of citizenship. Where ‘welfare’ assumes only a negative connotation, and is targeted largely at the poor, as has tended to happen in the US, the results are divisive (1998:108).

Latham is concerned about rebuilding the legitimacy of collective provision yet he insists:

In areas where universal benefits can not be demonstrated, governments need to contain their activities to safety net services designed to enhance the equality and inclusiveness of our society. This means targeting (through income support and locational programs) public resources to those instances where private resources are not sufficient to provide a decent threshold of social capability (1997: 17).
By promoting residual, targeted welfare programs Latham ignores the potentially detrimental effects of this strategy on public support for such services. In addition, continuing to target only the most vulnerable also has potentially negative ramifications for the well-being of other citizens since more pressure will be placed on families and communities to shoulder the burden of collective welfare. Latham’s preference for residual income support and community-based programs also takes the civic capacity of employed, middle-class Australians for granted, representing them as self-reliant, perpetual contributors to the commons.

Social Capital and Employed, Middle-class Citizens

The social and economic effects of globalisation on the habits and civic complexion of employed, middle-class Australians are curiously absent in the work of both Giddens and Latham. This is probably because, in Third Way theory, formal employment appears to provide the behavioural template for civic flourishing. Giddens argues of Britain that because ‘we live in a much more active society, we require a more actively restructured welfare system, which encourage[s] people to take risks, rather than stopping them from doing so’ (1999:5). Indeed, it is because Britain now has a ‘more active, reflective citizenry’ that Third Way politics can succeed (Giddens 1999: 6).

Giddens’ acceptance that British citizens are generally active echoes Latham’s assertion that, generally, Australians are increasingly self-reliant. However, unlike Giddens, Latham (2001a:9) also appears to endorse the view that Australians are experiencing a sort of social decline: ‘Across all demographic, geographic and income groups, Australia is experiencing a new type of poverty, the poverty in human relationships’. Yet, in terms of materially affluent citizens, civic impoverishment is attributed to a combination of unsafe public spaces and a lack of opportunity for civic engagement. The civic capabilities of affluent, employed citizens are not in doubt: ‘the public is in search of meaningful participation, a chance to cut out the middleman and engage in acts of self-governance (Latham 2001a: 9, 18). On the other hand, Latham (2001a:9) assumes that poor
communities must be ‘normalised’ in order for them to make rational use of the ‘the material gifts of government’.

This conflation of civic capability with material affluence can be largely attributed to Latham’s endorsement of social capital theory. According to Latham, social justice is synonymous with the creation of social capital: horizontal social relationships that evolve through civic participation and nourish positive norms of reciprocity and trust. As with key social capital theorist, Robert Putnam (1993), Latham equates prosperity and social inclusion with the presence of social capital. By extension, because poor communities are conceived as deficient in social capital ‘the success of the welfare state relies heavily on the success of civil society’ (Latham 2001a:9). Therefore, although Latham believes there is an overall civic deficit in Australia, he tends to assume that relatively affluent, employed citizens are inherently capable of civic action.

There are, arguably, two intertwined beliefs bound up in this assumption. First, the welfare state undermines civic activity, and, by extension, the civic capability of citizens who rely on it. Second, being employed is an adequate indicator of civic ability. However, results of a recent study of cross-national volunteering patterns found no evidence that large welfare states were responsible for the weakening of civil society (Salamon & Sokolowski 2001: 21). These findings are echoed in Bo Rothstein’s paper on Sweden (a large universal welfare state), which concludes that, overall, social capital has increased since the 1950s (2001:16). Instead, she argues that a more significant determinant of whether patterns of government provision encourage or undermine civil society may be whether they are universal or residual. For instance, Rothstein asserts that the universal character of Sweden’s welfare arrangements may have a positive affect on social trust, since they discourage the view that state provision exists only for the benefit of visible minority groups at the expense of the majority. As with his preference for localised, residual income support policies, a continued focus on the problems and deficiencies of visible minorities allows Latham to overlook one significant difficulty faced by relatively affluent, employed Australians in the post-industrial era: that of excessive working hours. This oversight may be detrimental to his intended aim of revivifying civil society.
Excessive Working Hours and Civic Participation

Australian workers experience the second highest level of working hours within the OECD, with 32 per cent working more than 48 hours a week (Pocock et al, 2001a:8). A recent report, funded by the Australian Council of Trade Unions (ACTU), on the effects of long working hours discerned a trend in which ‘extended family, sporting clubs and voluntary work’ all fall by the wayside (Pocock et al. 2001b:34). According to the Report, workers interviewed have experienced a ‘time famine’ where they cease doing things for themselves as individuals. This narrowing of individual activity has had a significant effect in some communities: ‘Miners describe the decline of their local football club and golf club as a result of widespread shift work in their town’ (Pocock et al. 2001b: 34).

Others had to work hard to maintain their social connections, which they saw as an intrinsic aspect of their individual well-being: ‘being able to easily call on neighbours when called to work, for example, relied on a good community of neighbours and friends’ (Pocock et al 2001b: 34). Apart from sporting activities and social connections, a number of those interviewed admitted to giving up voluntary work in social clubs, charities and the army reserve because of a lack of time and energy. John Quiggin (2000: 8) concurs with this image, asserting that there is strong evidence to suggest that recent increases in working hours for full-time workers can be attributed to the increased bargaining powers of employers. While money explains part of the motivation for working long hours, workers interviewed by Pocock et al also cite understaffing due to cost-cutting, commitment to the job and job protection (Pocock et al 2001a: 8; Pocock 2001:4). Third Way theorists, such as Latham, who concern themselves largely with the potential damage to the social fabric caused by unemployed ‘free riders’ and apparently dystopic communities ignore the civic participation levels of affluent, employed citizens. If these are low, then exhorting a minority of disadvantaged individuals and their communities to be more civic-minded will not improve the social and economic well-being of the majority. Yet, as I have already suggested, Latham’s oversight may derive from uncritical acceptance of the social capital thesis, which equates material affluence with civic health.

Juliet Schor (1997:8-11) challenges Putnam’s evidence that there is a correlation between hours of work and civic engagement. She points out that it can only tell us that some individuals are generally more active; it cannot show whether, for any given individual, working increases civic engagement. In her own survey, Schor concludes that hours of work have risen in the US, particularly for highly educated, highly paid women: a group for whom civic engagement has fallen most significantly. Schor’s findings echo those of the Fifty Families report by Pocock et al, particularly in her contention that the rise in time pressure for affected groups is linked to the growth of unemployed and underemployed groups: citizens for whom the main barrier to civic participation is financial. Consequently, it is possible that effective government policy solutions for the promotion of a more civil society might be found by looking at the nexus of underemployment and overwork.

Such strategies might be presented as a type of universal welfare policy. As an example, advocates of a government initiative in France to reduce weekly working hours to 35 claim to have attained shorter working hours, as well as creating a total of 300,000 new jobs between 1996-2001 (EIRO, 2002). The advantage of such strategies is that they can be promoted as achieving increased levels of well-being for workers and non-workers by more fairly redistributing available work. Electrical workers interviewed by Pocock et al, whose union has instituted a cap on overtime, echo this interpretation:

A number of interviewees mused on the work patterns that see so many working long hours, often reluctantly, in a labour market with high unemployment and under employment. Indeed, one of the main motivations for capping overtime amongst electricians in our study was the desire to ‘spread the work around’ and even those who had lost money through the cap supported the logic of this…and the revival of their lives is powerful evidence in support of reigning in hours that some described as ‘relentless’ or simply, ‘dangerous’ (Pocock et al 2001: 6).

Treating what Schor (1997:11) refers to as the ‘bifurcation of the labor [sic] force’ as a single phenomenon has the advantage in terms of gaining public support since it does not single out one highly
visible, stigmatised group of policy stakeholders. Areas of social provision that are seen as universal, such as education and health, are far less politicised than means-tested residual programmes (Jamrozik 2001: 81; Quiggin 1997). Quite apart from the negative outcomes of such programmes for current income support policy target groups, as potential recipients it is not ultimately in the best interests of the wider community to pursue coercive, authoritarian strategies, whatever the institutional design. Furthermore, policies that reinforce community prejudices do nothing to address barriers to both civic participation and individual well-being. Acknowledging the very real troubles of affluent, employed citizens is more likely to restore faith in collective provision.

**Conclusion**

Within Third Way theory, discussions about civic renewal and citizenship have enormous potential to revive community interest in social justice and community well-being. To achieve this, however, advocates should focus on the barriers to the civic participation of all Australian communities, not just those that are economically disadvantaged. Policies with a universal focus that promote civic renewal recognise that working citizens are not *ipso facto* good citizens in the civic sense. In the same vein, advocates for civic renewal must also take care to ensure that policy proposals are not based on the assumption that disadvantaged citizens are uniquely responsible for the decline in Australian collectivism. Neither is there any substantive basis for Latham’s assumption that the prior institutional arrangements of income support programmes, such as unemployment benefits, have undermined the capacity of citizens to meet their civic obligations. The broad expectation has always been that, as part of their entitlement to income support, unemployed Australians should attempt to find work. Within this framework, the major barrier to civic participation is a lack of economic, rather than moral, resources. Even so, the ACTU Fifty Families report makes it clear that linking formal employment with civic activism is problematic, particularly where working hours are excessive.

Latham’s suggested policy proposals, which aim to increase the civic participation of middle-class social entrepreneurs by devolving state services to the community level, do nothing to address the issue of overwork among employed Australians. Instead, by reinforcing a
residual welfare philosophy that incorrectly divides Australians into eternal contributors and eternal receivers of state benefits, Latham reproduces a conceptual pattern that itself undermines the logic of collective provision. It represents working citizens as universally capable, requiring no help, whereas poor, non-working citizens are represented as universally incapable, requiring ever-increasing moral scrutiny and suasion. Instead, individual and community exposure to the vicissitudes of the market, in all its forms, should be treated as a universal experience, since this is more likely to reinstate broad support for collective provision. The French experiment in implementing a 35-hour week represents one possible response to the challenge of providing citizens with increased opportunities for civic engagement, whether they are jobless and economically poor, or overworked and time-poor.

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