

review

A civil society that works? – I'd like to see that

Civilising Global Capital: New Thinking for Australian Labor
by Mark Latham

Allen & Unwin, Sydney, 1998, 391 pp., \$24.95.
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Reviewed by Martin Stewart-Weeks

Mark Latham has broken just about every rule in the book when it comes to Australian politics and ideas. He has written a book that is bold, dramatic, radical, unsettling and demanding. He has had the temerity to consider the future beyond next Tuesday fortnight and put down a comprehensive, in many ways compelling and always testing manifesto for the kind of future into which he wants to see Australia and Australians move with confidence.

Given the scope and ambition of his purpose, it is little wonder that in almost 400 pages of tightly argued and sometimes densely written description, analysis and prescription there will be specific items and ideas with which we might argue or find fault.

In an important sense, though, the significant dimension of the achievement is its sheer scope. This is a tour de force as Latham tries to make sense of the highly practical dilemma he articulates – how to render intelligible a rapidly changing and volatile world in terms of his abiding commitment to the intrinsic, if always evolving, values of social democracy.

Others are better qualified to assess some of the more technical, especially economic and financial, aspects of the book. Others still may want to engage in a philosophical contest about the contemporary viability of social democratic instincts and institutions.

My purpose is less ambitious. I want to pick out a few of the central ideas or themes around which he has constructed the thesis and suggest some of the exciting potential and the risks they offer. I'll focus on five themes that weave themselves in and out of the thesis whose ultimate purpose is to show Labor the way to combine, in his words, 'equity and electoral success.'

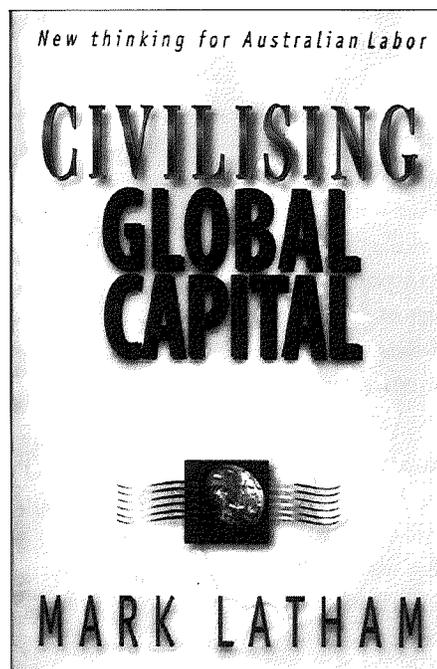
Place Management

The first theme comes under the heading of 'place management.' Basically, this refers to a shift from the design and delivery of public services and regulation away from the 'silos' of functional agencies (health, education, transport, etc.) to a more integrated approach that fixes on specific location and place.

Two ideas that keep cropping up in the book converge in this theme. One is the fragmentation of the national economy and labour market. Latham and others have observed the emergence of the new global-local paradox in which, as the world becomes more interconnected and the locus of economic and political power moves inexorably higher, many of the predictive variables for economic success are grounded in highly differentiated local and regional economies.

'The Australian economy,' Latham argues, 'should not be regarded as a homogeneous entity; it needs to be treated as a series of highly differentiated regional economies and neighbourhood labour markets.'

The second idea driving the place management theme is the need for the state, in its service delivery and regulatory functions, to find new ways to connect with, and make a difference to, the lives and opportunities of people in specific places and in particular communities. That won't happen while we remain hostage to Fordist (to use a favourite Latham term) structures and habits redolent of



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an era of mass production and industrial bureaucracy that don't make sense in contemporary conditions.

If it is going to happen, the shift to place management is going to be enormously disruptive. It will be especially demanding for those working in those bureaucratic behemoths where all of the incentives and signals to which they respond (including the Ministers who perch precariously and often ineffectually on top of them) drive in precisely the opposite direction. On top of that, much of the interest around the world about the pursuit of 'place' solutions involves not just breaking open the public 'guilds', but engaging in altogether new forms of boundary-crossing between the state, the corporate sector and the third sector of voluntary associations.

But the biggest weakness of the place management debate is that, to be successful, it needs to draw on sustained political investment. That kind of leadership in Australia does not appear to be in a state of over-supply.

Human Capital

A second central theme in the book is exclusion. In the more open, competitive and unforgiving economy in which we have to make our way, what are we going to do about those whose lack of appropriate skills makes it impossible for them to get a foothold? The response draws more heavily on a central faith in the power of education and human capital formation than it does on more traditional Labor strategies that target issues of income and financial capital.

Nothing matters more ... than universal access and social mobility in the education and training system. In the post-industrial era, economic opportunity is being defined not so much by access to financial capital, but human capital. This is a critical opportunity for political causes interested in the foundation of a fair society (p. 91).

Some of the most passionate analysis in the book is reserved for this issue. Education, training and skills development provide the opportunity to leverage precisely the kind of social capability from which a capacity to survive and thrive in the new, more open economy will emerge.

A third theme links closely to the exclusion theme. The book is unequivocal about what, given the conditions Australia now faces, the new public sector looks like. For Latham, the public sector, which 'needs to pursue a distinctly spatial role' (i.e. place management), is about funding infrastructure, a provider of services and employment in its own right and a regulator of private sector activity. He sees public sector provision of jobs in areas

like education, health, community services and municipal maintenance as providing a critical source of employment for the semi-skilled (those locked into what Latham calls the 'downstairs' economy, as opposed to the 'upstairs' economy in which people with tradeable, knowledge-based skills can prosper).

This thesis for the role of government is in some ways one of the most traditional parts of the book. The argument is for a continuing and in some cases considerably strengthened role for government in providing services, offering employment opportunities and acting as a catalyst for regional and local economic and social transformation. That much, at least, will offer some comfort to those in the Labor Party whose initial reaction to the Latham manifesto has been to question his ideological credentials (if, indeed, such things are important these days).

Social Capital

Such critics, presumably, will be less comfortable with the fourth central theme of the book. Latham argues that:

The public sector needs to devolve the scale and authority of some of its own functions and place more resources and responsibilities in the hands of civil society ... it requires governments to resource the civil sector in a fashion no less legitimate than its conventional services. (p. 121)

This dimension of the argument is perhaps the most intriguing and unsettling. It is full of appeal and seems to offer the romance of a new age of civil society and social capital. But it is full of potholes and pitfalls as well.

If I have a criticism of this part of the analysis, it is of the sense in which it sometimes appears that civil society emerges as a convenient and under-utilised 'outpost of the empire.' Here we have lots of place-based associations of eager volunteers and activists waiting to be resourced and briefed so that they can discharge a larger set of public responsibilities that will alleviate the unbearable pressures under which the public sector is now crumbling. (Incidentally, I haven't yet seen much debate about some of the ideas in the Latham thesis that might have been expected to attract some more vehement criticism. He argues, for example, for the need to abandon 'an idealised model of social equality around which the state can centrally plan its systems of provision.' Later, explaining that the social democratic project 'is now groaning under the accumulated weight of these layers of equality and public sector commitments,' he argues for a move away from a program of positive discrimination, suggesting that 'it is not possible to set quotas or reserve places for one group of citizens [without] concurrently diminishing the opportunities

available to the remainder of society.’)

I am one of those who believe that the rebirth of civil society – or at least, the renewed interest in its intellectual heritage and some of its language – represents the next Big Debate in public policy. But there are real problems.

The first is that the whole point about civil society is

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that it is independent and autonomous. It dances to its own tune, or rather, to the countless peculiar and distinctive tunes of those in whose instinct for association and social solidarity it finds its practical manifestation. We know the dangers of co-option – what happens to previously independent and fearless civil society associations when they effectively sell their souls in return for – well, in return for what? To become virtually part of the bureaucratic machine, with all of its risk management and accountability infrastructure. The result is to significantly dull the instincts for nimble, close-to-the-ground action and responsiveness (definitely a case of killing the goose that laid the golden egg).

The second problem is that associations in civil society are in various stages of repair and readiness. Some are thriving and have learned the art of self-transformation by adapting to new conditions and staying fresh and alert. Others are trapped in institutional strait-jackets of nineteenth century notions of management and governance, and find it very hard to respond to a new set of contemporary demands.

I am deeply convinced by Latham’s arguments that we need to find new sources of mutuality, personal trust and social solidarity as a way of investing in the health and vitality of society. I also believe that one source of that renewal will be in contemporary forms of our instinct for association and voluntary social action. I am much less convinced by the notion that we can achieve that objective by allowing the state to encroach more and more into civil society to find new ways to deliver essentially unchanged political and bureaucratic strategies. If we truly want to invest in, and benefit from, a civil society that works, then we have to consider a much more radical redistribution of

power, authority and responsibility than at least some people feel comfortable with. I’m not sure we’ve done enough to explore the truly subversive potential of the civil society debate.

Redefining Community

The fifth and final theme is in some ways the foundation for the whole book. Latham argues passionately for a new sense of our role as social or public people. Indeed, one of the four defining axes around which he sees the new world taking shape is defined by individualism at one end and community at the other.

The public sector provides one factor that can respond to his concern with the need to create a sense of confidence and security for people living through mould-breaking change:

It might be that amid the flurry of change, in Australia and beyond, the only true stabilisers the citizenry will find, the only enduring buffer it has against insecurity, lie in the things it holds in common and is willing to express through public action. Ultimately, society’s interdependence is its only lasting guarantee against the contingencies of change in the post-industrial era. If it is not possible, through the work of the profit system, to rely on employment and income security for all, or on stable units of work, family and community, then what remains other than the countervailing role of the public sector? By this logic alone, Labor should not shy away from the principles on which the stabilising role of government is based. (p. 193)

At one level, I think Latham is right. Recalling that, as the American philosopher Michael Novak reminds us, ‘mere individualism’ is not and never has been enough, the notion of rehabilitating our sense of the public domain is appealing.

But we need to distinguish between the notion of the public or social dimensions of individualism and a definition of public space as being essentially derived from the actions and resources of the state. The American political scientist Vincent Ostrom, for example, argues strenuously for the importance of a public realm, but which is ‘public by virtue of its openness rather than its identification with instrumentalities of government as such’ (Ostrom 1994: 210).

In the same manner, Michael Walzer (1991: 298) points to the argument that ‘the good life can only be lived in civil society, the realm of fragmentation and struggle but also of concrete and authentic solidarities, where we fulfil EM Forster’s injunction “only connect” and become

sociable or communal men and women.' And taking from a more recent debate, Latham's thesis is certainly consistent with the search for a renewed ethic of associationalism that 'seeks to square the aims of freedom for the individual in pursuing his or her chosen goals with the effective governance of social affairs' (Hirst 1994:19).

All of these instincts seem to me to be healthy and important sources of renewal in the Australian political discourse. What they avoid, though, is the unsettling dilemma that will face any real attempt to redefine the distinctions between, and the role and function of, the state and civil society. The real strength of civil society, as Hayek pointed out, is (a) the fact that it isn't controlled or directed and (b) that it is contrarian – that is, it allows people, or groups of people, to get up and do different things. 'It is because we normally do not know who knows best,' he argues, 'that we leave the decision to a process we do not control. But it is always from a minority acting in ways different from what the majority would prescribe that the majority in the end learns to do better' (Hayek 1960:110).

The problem is that a century of essentially top-down and directive control by larger and larger agglomerations of bureaucratic action (both in the state and in the market) has left a legacy of 'command and control' and a set of civil instincts and institutions that have gone rusty. What I am wondering is whether some at least are reaching out to civil society not because they are convinced of its virtues, but because it offers the prospect of reinvigorating some of the old and unsustainable instincts and practices of what others have dubbed the 'industrial state.'

Conclusion

Mark Latham is certainly not interested in perpetuating the old industrial state. He reserves some of his strongest criticism for those who are unwilling or unable to ditch a set of ideological commitments that he clearly feels don't work and don't make sense in the world he describes. What he seems to be reaching for is a new accommodation between the best instincts and continuing strengths of the state and a more vigorous role for civil society.

Perhaps the book's real achievement, though, is that it was written at all by a practising politician. Here is a sitting Member writing persuasively about some of the most pressing challenges of our time – the overloaded welfare state, the loss of connection, trust and social solidarity, the

need to abandon the worst excesses of corporate welfare, the intriguing paradoxes of globalisation. As I know he has already discovered, the task is not without its risks. Perhaps he should have taken note of Hayek's blunt reminder of the risks any politician takes on in the pursuit of leadership in the world of ideas:

For the practical politician concerned with particular issues ... it is almost necessary that he be unoriginal, that he fashions his program

from the opinions held by large numbers of people. The successful politician owes his power to the fact that he moves within the accepted framework of thought, that he thinks and talks conventionally. It would be almost a contradiction in terms for a politician to be a leader in the field of ideas. His task in a democracy is to find out what the opinions held by the largest number are, not to give currency to new opinions which may become the majority view in some distant future. (Hayek 1960:112)

My sense is that *Civilising Global Capital* will become a defining text in Australian political debate, although, like other such tomes, there is always the danger it will quickly achieve 'most quoted, never read' status. I am also convinced that one of its abiding values will be the serious and significant contribution it makes to the search for a civil society that works. In that sense, perhaps the book (to quote a good friend of mine) should be retitled – not so much *Civilising Global Capital* as 'Globalising Civil Capital.'

Policy

References

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But (like most Australians when it comes to politics) I wouldn't have remembered her name if I hadn't gone to a recent event organised by the Australian Republican Movement. Along with Angela Pippas and Clare Wright, Clare O'Neil was one of the speakers, and I was impressed. When Australian politics is getting bogged down in arguments over entitlements, a book like this couldn't have come at a better time. Looking beyond the short-term thinking, two young parliamentarians Tim Watts and Clare O'Neil bypass the petty squabbling, and channel political discussion back in the right direction—tackling the big challenges across the board that Australia is set to face in the next quarter of the century. In 1964 Australian athlete Reg Spiers sent himself from London to Australia in a wooden box - he was transported as freight in the cargo hold of a plane. Desperate to get back to Australia in time for his daughter's birthday, he decided to post himself in a wooden crate. "I just got in the thing and went. What was there to be frightened of? I'm not frightened of the dark so I just sat there. "It's like when I travel now if I go overseas. There's the seat. Sit in it, and go." Reg Spiers makes it sound very straightforward more than half a century later, but it caused a media storm in Australia at the time. He explains his attitude like this: "I've come up with this mad scheme to get back to Australia. Politicians find it much easier to sue in Australia than in countries like the United States, United Kingdom or Canada. Myriam Robin. Jan 28, 2015. 6. If Campbell Newman were an elected official in America, he wouldn't be able to sue Alan Jones after the broadcaster called him a liar. If he were an elected official in the United Kingdom, or New Zealand, or Canada, he'd be more likely to win a case. But the burden of proof on him would be higher, and the political culture far less prone to issue writs than it is here. Free Trial. If you are human, leave this field blank. We'll let you