

Latham, intellectuals, and social capital

CHRISTOPHER LLOYD explains why the State must be re-activated to restore social democracy.

Latham's theoretical inadequacies

Mark Latham has a good chance of winning the next election but will a new Labor government be able to restore social democracy by exhorting neighbourhoods to restore local suburban social capital the way he says he wants them to? I strongly doubt it (and the evidence of other Third Way governments is not encouraging) for his social and political theory (and that of other Third Wayers) has basic inadequacies. Nevertheless, we must acknowledge the remarkable fact of a party leader who has set out his program in serious books and who has invited scholarly and political debate about the role of ideas in politics. We can't expect our politicians to be intellectuals but we can expect them to read, think widely, and be reasonably consistent. Latham appears to have done at least the first two. This article is offered as a constructive critique of his efforts.

I argue that the biggest problem in his writings and program is to do with intellectuals in two senses – first, his failure to understand the importance of building local and national *linking networks* via the work of motivated and educated activists (intellectuals in the broad sense) and, second, his reliance on the wrong intellectuals to drive his ideology of neighbourhood social capital. Consequently, he fails to understand the significance of a different sort of social capital theory for providing the vital

intellectual foundations that social democracy needs. Together, these two inadequacies have prevented him, I believe, from seeing the significance of re-activating the state in order to rebuild social democracy.

Mr Latham's Third Way prescription for 'building a nation from our neighbourhoods', is set out clearly in his book *From the Suburbs* where he emphasises local action to build social capital. But the program he outlines there, insofar as there is one, is deficient. This is unfortunate because I, like many other members of the so-called 'intellectual elite' that he tends to sneer at, share his desire to re-found social democracy. It's in *everybody's* interests for liberal social democracy to be reborn. Only through such a program can civil society itself be restored against the market fundamentalists who are promoting the destruction of civility and social cohesion in the interest of promoting individual and class greed and exclusion.

Intellectuals and aspirationalists

Of course Mr Latham can't really have it both ways – act as an intellectual and also sneer at intellectuals – but we understand the way this plays in Australian public life (but less than it used to). It apparently doesn't go down well in the suburbs to be thought of as an intellectual! Rhetoric matters in politics, but it's a pity that it has to be anti-intellectual. This alienates a

major constituency that he should not just be trying to lure back or win over; he should be trying to include them within his ideological and practical program. Many members of the socially-motivated and well educated middle class who rose out of the regions and suburbs of disadvantage, thanks in part to Whitlamesque social democracy, yearn for social justice and the saving or rebuilding of cultural richness, social civility, equality, environmental amelioration, and social cohesion. Witness, for example, the massive demonstrations in recent times in favour of Aboriginal reconciliation and against the Iraq intervention. Many of these people now feel alienated from Labor, but they are natural allies of Latham's if only he would get past his old-fashioned class rhetoric and see that there is a new kind of class argument to be made about the *linking* power of a certain kind of social capital that his favoured third-way theorists haven't grasped. (More on that in a moment.)

Bridging the gap between so-called 'insiders' and 'outsiders' is something that Latham is ill-equipped to do, at least on his record so far, for he has practiced the rhetoric of abuse and resentment. He seems to have gone out of his way to try to denigrate all the so-called globalised elites of the inner cities. Worryingly, he seems to have borrowed John Howard's rhetoric. What he disparagingly describes as the identity politics of leftist elites (we know the usual

suspects – broadsheet readers, RN listeners, ABC watchers, wine and latte drinkers) as supposedly abstract, symbolic, and predetermined, is contrasted with the 'pragmatic' and more 'traditional' culture of the aspirational outer suburbs. This is a caricature of both sides of course but it's clear what he is getting at. The Labor Party, apparently, has to decide between the two and cannot successfully build a coalition of them. This is a grave mistake. Labor needs all leftist people not just as voters but as Party and local activists in order to first win office and then to carry out a restoration program with state-directed resources.

His concept of the cultural pragmatism of the 'outsiders' of the outer suburbs is potentially revealing. But what does it describe really? He seems to define it negatively – by what it's not – and, therefore, ironically, describes it in a demeaned way. What he thinks is the dominant culture of the outer suburbs emphasises a rejection of symbolism and dogma, a 'practical' view of neighbourhood situations, a desire for better neighbourhoods, and a sceptical view of what governments can or cannot do for them. Does 'practical' include elements of racism and does 'scepticism' include resentment at the diminution and failure of state services? He needs to say more about the positive aspects of this culture and more about the complexity of the outer suburbs. There's more going on there, and in the inner cities, then he seems to know.

Putnam's social capital theory

The basis of Latham's intellectual position is the 'social capital' concept, now so popular among certain Third Way social democrats, such as Tony Blair and Bill Clinton. In the hands of two of its best-known exponents – Robert Putnam and Amatai Etzioni – it's the argument that socially-developed societies with dense networks of voluntary associations, family networks, mutual support structures, and circles of friendships, have a rich store of social capital

that enables them to be inclusive and democratic and peaceful. Social capital exists in strong bonds or networks of reciprocity, trustworthiness, and mutuality at the local level. Social capital networks are of two broad kinds according to Putnam – **bonding networks** within groups that are exclusive and **bridging networks** between groups that are inclusive. Societies that have not been able to develop these complex and dense networks are riven with conflict and inequality. Most poor countries are sadly lacking in this social capital. One has only to visit most of South Asia, sub-Saharan Africa, and Central America to witness the great absence of social capital in the forms of local co-operation and trust. Just getting organised to clean up the local streets and footpaths seems to be impossible. And the state does nothing to get the capital-building process going. Just the opposite. In the places where it has been well developed, especially the social democratic West, the dense networks of local affiliation have withered in recent decades and have to be rebuilt. How?

Mark Latham's neighbourhood strategy, derived from the Putnam-type argument, is that the dense networks can indeed be rebuilt but without a strong role for the state. Unfortunately, he has no workable program for doing it. I've scoured *From the Suburbs* trying to find the necessary practical steps that are more than mere rhetorical urgings towards more responsibility and hard work. Having denigrated the state and old social democracy what is he left with? He's left with exhortations, like a Sunday school teacher, towards community activism, participation, lifelong learning, and social entrepreneurship. But these are mere hollow shells without resources. Where are the resources to come from? Apparently not from a redistributive state that taxes the rich to help the disadvantaged. And we know that charitable giving has declined to very low levels so the resources can't come from philanthropy. And where are the community activists to come from? Surely not from the ranks of the

educated 'elite', those 'symbolic cultural warriors' who supposedly inhabit only the inner city? In fact, the lack of social capital in poor countries, in the historical past of rich countries, and its recent decline in the West, is fundamentally attributable to state weakness and corresponding loss of commitment and mobilisation by activists on behalf of state institutions and programs, which Putnam has failed to understand. If you don't understand the nature and significance of the social democratic state then you don't understand the history and potential of social capital.

Three problems with Latham's argument

The fundamental problems with Latham's argument, then, are, first, there is a poor basis in social science which leads to a confused picture of the relationships between class, culture, and geography. His over-reliance on a geographical determination of political ideology leads him to make a basic mistake about voting allegiances and alliances. His simplistic two-class model of insiders and outsiders is cross cut with a simplistic two-geographies model of location of these social classes and a simplistic two-culture model of elite symbolists and aspirational pragmatists. It makes no sense to lump together all the so-called 'elites' as insiders and all the suburbanites as 'outsiders'. >



They have widely varying class allegiances and geographical locations, and widely varying voting habits.

While there might be a vague correlation between affluence and location he seems to want to say also that the aspirationalists of the outer suburbs are not disadvantaged as such (in fact can be quite affluent). Rather they have a different culture and choose not to move to the insider suburbs of the globalised city and so have a different politics because of their different location. Confusingly, he argues that Labor has to appeal to the upwardly mobile aspirationalists, who are apparently still outsiders, and not to the insiders, who are elitists even though they want to vote for Labor or the Greens and the republic. But at the same time the aspirationalists are not disadvantaged once they climb the ladder *a la* Mr Latham, while apparently retaining their location and their erstwhile outsiders' culture of pragmatism! All this seems confused and in fact contradicts the evidence of voting patterns in important respects. The inner city leftist 'insiders' are not turning to the neo-liberal program but to the Greens and independents while the aspirational 'outsiders' are deserting Labor for the Liberals because of Labor's failures when in office. Local, unaligned, thoughtful social democrats no longer see Labor as the means of implementation. And some of the poorest 'outsiders' are also interested in One Nation ideas. To describe the conflict as a culture war is simply to adopt the absurd terminology of those who wish to destroy public institutions in the name of efficiency and 'tradition'.

Second, he fails to see the necessity of linkages between all the potential constituencies for social democracy – disadvantaged outer suburbanites; migrants and unemployed; the aspirationalists and the educated professional middle classes; the green and socially aware activists; all those groups and classes who are in fact not part of his problem but, potentially, part of his solution. In fact, he should be trying to attract all those groups who are opposed, on various grounds,

to the promoters and beneficiaries of the unequal market state and its latest manifestations as repression and geopolitical interventionism.

Intellectuals and activists (in the broadest sense including scholars, journalists, well-educated professionals, social welfare workers, NGO and political actors) are crucial to social progress for, while many of them might not live in the aspirational suburbs of his supposedly Third Way constituency, they are often the beneficiaries, like himself, of social democracy. They can provide, crucially, the necessary intellectual and organisational resources. They tend to be much more active in civil society, the leaders of social concern and social justice movements and neighbourhood campaigns. To go out of your way to denounce such broadly leftist people, all potential Labor voters, and often actual second preference Labor voters, as insiders and cultural elitists and not interested in the outer suburbs, is crazy. Intellectuals can build a crucial component of social capital that Putnam ignores – **linking** networks – as the critics of Putnam, such as Szreter, have pointed out. (see below)

Third, there is a contradiction in Latham's argument over the role of government. On the one hand he says that old social democracy focused too much on the role of the state and it cannot be re-activated as the way forward. But on the other hand he argues that the disadvantaged and aspirational outsiders want better state services and an improved role for the state. What he fails to see here is that the unpopularity of government among many disadvantaged people is not because there has been a philosophical rejection of government, but because the state has been deliberately run down and denigrated by the free marketers and the neo-liberals, including, especially, by Labor governments. Of course people will be disenchanted with the state if it doesn't do what it should. Of course people will overuse crowded hospital emergency rooms if doctors can't afford to bulkbill. Of course people will desert public schools if the state

fails to fund them and instead pumps money into private schools. Of course people will give up using public transport if the government undermines it. Of course people will be afraid of their neighbourhoods if the government runs down policing, drug rehabilitation, and other community services. Of course people will resent paying the necessary taxes if they see the rich having their taxes cut and the billionaires paying none.

It is the failure of neo-liberal, small taxing, greed-pandering, public-institution destroying, governments that is responsible for disgust with governments. Rejection of the state wasn't always so, even in America, although you wouldn't know it from the Putnam-type social capital theorists. The failure to understand the **history** of social democratic states is a large part of the problem here.

Mr Latham doesn't seem to acknowledge (at least in his writings) the **essential** role for government intervention in providing resources and rebuilding the new civil society of cohesive neighbourhoods and in providing the rungs in the ladder of opportunity of which he speaks. This blindness comes, in part, from an over-reliance on the wrong intellectual resources. Rather than social capital theory *al la* Putnam that leads to a view that the decline of the state is irreversible, in a different version of the theory there is a powerful argument about the importance of activating or re-activating the state. Economic development, social equality, and social cohesion, in a globalising world, cannot just grow magically from the ground up, somehow divorced from the developmental, redistributive, justice-oriented, powerful nation state. Local states have not been replaced by a global state. States must be an essential partner with civil society, just as they were in the early 20th century in Western countries and again from the 40s to the 70s, and as central in the most successful cases of economic development since the war, such as Japan, Germany, Singapore, and even supposedly free-market Hong Kong. It's not how

big the state is necessarily, but what role it plays. It's a significant failure not to see the importance of that necessary **partnership** role of the state in earlier times and other places of greater social inclusion, equality, and cohesion, and to be blinded by the rhetoric and violence of the hypocritical anti-government advocates of recent decades with their emphasis upon social control and now ultra-regulation and repression. The history of successful and stable societies cannot be divorced from the history of successful, justice-oriented, and egalitarian states. This is as true for ancient and medieval societies as much as modern ones.

The state-voluntary coalition or partnership must be rebuilt if the social democratic desire for much greater equality and inclusion is to be achieved. The rebuilding must start with the small-scale middle level institutions that have the greatest role to play in providing the public goods around which communities coalesce – child-care places, public schools, medical practices, sporting and cultural clubs, local councils, voluntary agencies, and so on, and, at a higher level, larger institutions such as hospitals, colleges, universities, public transport, and urban renewal. These are not dead by any means but they have been eroded, denigrated and undermined, especially the public schools.

Arguing that the state is withering away because of globalisation is an unwarranted and dead-end position. State power is far from dead. The Iraq War reveals the extent (and limitations) of American state power and the necessity to re-establish a viable Iraqi state (or states) if civil society is to be built there. Strong states that can invest in strong civil societies rather than strong punishment campaigns is what we need. Underwriting the prosperity of civil society is full employment. The state is crucial to re-establishing that.

Social capital, the state, and restoration – the way forward

Mr Latham and the Third Wayers

need to read a little more widely and think a little more historically.

The necessary intellectual resources for social capital thinkers who want to rebuild social democracy is to be found not in the ahistorical work of Putnam and Etzioni but in the alternative social capital literature of a series of writers, including Pierre Bourdieu, Michael Woolcock, Alejandro Portes, and Simon Szreter. They have been severely critical of the shortcomings of Putnam. These writers show very clearly the central role of class power, politics, and the state in going beyond the severe limitations of Third-wayism. Social capital should not be understood in isolation from these other contexts. For example, as Simon Szreter argued persuasively recently,

history demonstrates that bridging and the respectful forms of linking social capital can only flourish when there is general ideological and political support for 'the state', for local participatory government, and for the ideals of the collective.

This is certainly not easy to achieve in a liberal democracy, as it requires citizens to see and to believe that government makes real and valued net contributions to citizens' lives, in order to earn their support for, and trust in the state. A high regard for the state and the activities through which it instills a sense of collective pride and fellow-feeling among all citizens, along with high evaluation of the public services provided in common for all by different levels of government, together form the essential cultural, symbolic, psychological, and experiential preconditions for citizens to respect and value each other, value each other's differences and give their time in trusting, cooperative activity.

From this basis and in this context, bridging and linking social capital can be built and can grow. When this respect for the state and the larger collectivity is absent, fails, or is ideologically and politically undermined, bridging and linking social capital diminish and, in extreme cases, leave only a social landscape of segregated

encampments of bonding social capital. The key point to emerge... is that social capital, far from being an alternative to the state and to government activity, is symbiotically related to it.

(Simon Szreter, 'The State of Social Capital; Bringing back in power, politics, and history', *Theory and Society*, Vol 31, 2002, p. 612-2).

The real practical task of a new social democratic party, then, in the unequal and increasingly degraded and violent society given to us by the neo-libs and the neo-cons, is to be open to and incorporate all those groups who wish to rebuild civil society and to end, not just politically but ideologically and socially, the reign of the radical individualists. We need a new coalition similar to but going well beyond the narrow horizons of the sorts that came together as Lib-Lab Protectionists in early 20th century Australia, as the Progressives of the early 20th century America, and as the Swedish social democrats of the 1930s and onwards. Only a progressive coalition that sees the state as the essential tool of a new collective agency, acting to bring about genuine egalitarianism, can hope to move forward the projects of social justice, social cohesion, and environmental restoration.

Restoration should be the battle cry of the progressive social democratic coalition – restoration of employment, equality, access, justice, cohesion, and environment. Restoration, indeed, of social capital in both its neighbourhood and its institutional forms. Restoration cannot be achieved by grassroots campaigns alone, Mr Latham, just as economic development cannot be achieved by the market alone. The Putnam prescription for a weak, under-financed state and no class linkages will fail to deliver for there will be no resources and no activists to carry the battle.

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