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Fixing the Niche? Rhetoric of the community sector in the neo-liberal welfare regime

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Introduction

The contemporary environment in which the non-profit community sector is located is extremely turbulent, unstable and highly contested. From the age of charity in the 19th century to the early 1990s, individual organisations and the sector as a whole took its place in the fabric of Australian society in an increasingly taken for granted manner. Within the overall institutional arrangements Australia gradually developed to manage physical, social and economic dependencies, the community sector had a role, nominally separate but functionally articulated in relation to the state. While contestation and conflict occurred, it was for the most part about the terms and conditions attached to the state-non-profit relationship within a mixed economy of welfare. All this has now changed. As the state pulled back from the role it developed for itself in the post war Keynesian welfare regime, and as it continues to pull back from a particular set of relations with its subject citizens, pre-existing institutional arrangements become unstuck. At the same time and as a consequence, roles, identities and relationships of all participants are destabilised in the emerging order.

It is this aspect of the contemporary condition that we address. Specifically, we pose the thesis that the community sector is currently engaged in a furious struggle to articulate a legitimate role in the nascent regime of welfare. This new regime, the ‘welfare society’ of neo-conservative ascendency, promotes patterns of individual and collective responsibility and responsiveness quite unlike that of its Keynesian inspired predecessor. In this new world, there are no ‘natural’ players in the sense that was once presumed, and no given set of institutional arrangements. What does exist are interrelated sets of ideas playing out various visions of the good life; for example valorised community, voluntarism, social capital, social entrepreneurship, new
paradigms of welfare and so forth. By engaging with, adopting and articulating these notions, parts of the sector are, we argue, actually engaged in positioning themselves as ‘natural’ if not preferred participants in the emerging regime of welfare. Here, we wish to critically engage with some of these ideas, and in doing so, promote a debate within the community sector about the potential effects of championing these new frameworks for welfare.

**Institutionalised Organisations**

The argument we develop about the potential consequences of sectorial adoption of the new rhetoric of welfare is logically dependent upon another set of theoretically defined concepts that provide explanations for operational characteristics of the community sector. It also allows us to see how it is that these rhetorical devices can be a key, almost defining feature or characteristic of organisational functioning in certain groups of organisations. Located within the genre of organisational sociology, a body of influential theory known as neoinstitutionalism develops the idea of *organisational fields* (Perrow, 2000; Powell and DiMaggio, 1991), a community of organisations that participate in and uphold a *common meaning system*.

**Organisational Fields**

Organisational fields, however, differ in the degree to which common meaning systems influence organisational behaviour. A highly institutionalised organisational field articulates a series of distinct beliefs about itself and what it does, which, in turn, radically impact on its ways of operating. The non-profit community sector is considered to be highly institutionalised (McDonald, 1997; Tucker, Singh and Meinhard, 1990; Powell, 1988; DiMaggio, 1987), exhibiting a particular mode of
organisation, reflected within a framework of the ‘rules of the game’ which are both widely held and articulated as idiosyncratic sectorial characteristics. Some examples of these might be the belief that the sector is more flexible, responsive and participatory than other organisations in other fields.

**Institutional Orders**

Neoinstitutional theory also gives us the notion of *institutional orders* within organisational fields, which exhibit their own internal logics predisposing member organisations to specific ways of organising. From this perspective, the community sector has its own unique institutional order quite distinct from that of other organisational fields, such as retailing or insurance. Accordingly, it draws on the notion of institution as that is understood sociologically to explain the conditions and processes by which particular ways of organising come into being, stabilise and endure (Lowndes, 1996). It proposes that organisations and their participants are held within particular frameworks of norms, values, beliefs, and assumptions, many of which take on an unacknowledged rule-like status. The emergent blueprint specifies the structural forms, organisational procedures, and participant orientations towards how organisations should conduct themselves in the particular field.

The resulting modes of organisation in organisational fields are promoted and sustained by a series of processes operating at the macro and micro level. Within organisations it constructs the acceptable rules of behaviour, both in procedures related to the organisation’s tasks, and in terms of organisational structures adopted (Zucker, 1983, p. 5). At the environmental level, institutionalisation prompts the common adoption of particular organisational practices and forms across the field (Zucker, 1983, p. 6). Individual organisations act like separate crucibles in that they are a site or context
of institutionalisation, while at the same time and through their networks and relationships, provide a means by which institutionalising processes continue over time: ‘Hence, organizations are important sources of institutionalization of new action. Already institutionalized elements can "infect" other elements in a contagion of legitimacy’ (Zucker, 1987, p. 446).

**Institutional Myths**

Shifting attention back to the environment (such as that of the community sector), organisations respond to and are shaped by *institutionalised myths* that derive from the collective values of the field. These myths are often rationalised, in that they are uncritically accepted as ‘truths’. Such myths themselves become codified as rules which ‘define new organizing situations, redefine existing ones...they enable and often require participants to organize along required lines’ (Meyer and Rowan, 1991, p. 45). Neoinstitutional theory therefore focuses on the role of cultural elements such as ‘symbols, cognitive elements, normative beliefs’ in the creation of organisational forms and structures (Scott, 1987, p. 498). Organisations that conform to institutional myths generally increase their survival advantages through rewards, such as increased legitimacy and stable resource flows. In other words, their way of organising is believed to be ‘good’, and is rewarded by external bodies (such as funding bodies) accordingly.

**The community sector as an institutionalised field**

The foundational assumption we make in this paper is that the non-profit community sector represents an example of an institutionalised organisational field, in that it exhibited and still exhibits a distinctive institutional order reflective in and constituted by particular modes of organising, and particular orientations towards its
role, identity and relationships. That order, however, is under severe threat from a range of change factors in the external environment (see McDonald, 1997, for a comprehensive discussion of these). In the resulting turbulence, individual organisations search for a new institutional order, which, when embraced and embedded, will operate in the same way as the old. Conformity to the (perhaps) dominant institutional order will facilitate organisational fitness for occupation of the associated environmental niche under construction. That new niche, from within which the emerging role, identity and relationships of the community sector will be constructed, is both a creature of and conditioned by the emerging regime of welfare.

The New Regime of Welfare

Over the last twenty to thirty years, western capitalist nations have undergone rapid and widespread socio-economic changes (Cahill, 1994). The form, function and features of the modern welfare state have been transformed, largely due to the transition to a post-fordist economy, and associated developments in the labour market and the family. As a result, Australia’s post-war partial welfare state consensus was destabilised. Compared with the welfare state crisis that began in the 1970s, the contemporary moment of the crisis of welfare differs from its previous expressions in that it is a manifestation of external shocks that put into question the longer-term viability of the welfare state as a social institution (Esping-Anderson, 1999: 3).

Structural changes have led many western nations down a path of ‘welfare reform’, framed within achieving the goal of ‘economic competitiveness’ as defined by the OECD (OECD, 2000). A common feature of these reforms is the introduction of greater contestability in service provision and the individualisation and
privatisation of social risk. The establishment of the Job Network by the Federal Government in 1998 represents an example of this shift. In this case, unemployed people are required to contract into social relations with non-profit and for-profit job network providers, thereby creating a more indirect relationship between citizen and government.

**Welfare Reform**

Australia’s ‘welfare reform’ process initiated by the Federal Government in 1999 epitomises many of the key features of the emerging welfare regime. The interim report of the welfare reform process (Reference Group on Welfare Reform, 2000), for example, emphasises containing budgetary expenditure through the maintenance of a highly targeted system of income support, individual and community responsibility for meeting social needs and increased economic and social participation through the extension of ‘mutual obligation’. A key shift here is that social security is no longer designed as a system for maintaining the incomes of those out of work, it becomes a system designed to encourage people into work.

Another element of welfare reform is the privileging of non-profit community services as a key institutional site for responding to future welfare demands. The image of ‘communities’ invoked in the report is one of mutual cooperation where individual organisations have an existing capacity and a future willingness to do more towards meeting the needs of disadvantaged groups (Marston, McDonald and Zetlin, 2000: 23). What is lacking is a critical appreciation of the necessary role that government investment plays in building the social and physical infrastructure that supports the activities of community groups and volunteers to meet social needs. Instead, communities are romantically represented as self-generating fountains of
‘good will’. In the nascent model of welfare, access to the labour market and varying forms of ‘social participation’, rather than redistribution of material resources, are privileged as the principle pathways out of ‘social exclusion’.

To some extent the process of transformation from collective responsibility to individual risk can be considered as an exercise in moral reform, or what Rodger (2000) refers to as the ‘new moral economy of welfare’. Haworth and Manzi (1999: 157) argue that there is a desire to return to robust moral frameworks in welfare state politics, which they argue is in large part symptomatic of a crisis in universalist and rationalist welfare traditions. The current political debate in Australia about the appropriate policy response towards asylum seekers typifies the moralisation of social policy discourse. In this case, the Federal Government controls the debate by discursively reducing asylum seekers to ‘illegals/queue jumpers’, and through morally conservative appeals to a ‘closed border’ mentality that echoes the White Australia policies of the past.

Reconfiguring the state

In all of this, the changing mixed economy of welfare has led to a reconfiguration of the role of the state. In the emerging welfare regime the social control functions of the state take precedence. The alarming increase in the incidence of ‘breaching’ Centrelink clients, for example, has become one the main technologies or instrumentalities through which welfare recipients are punitively disciplined into fulfilling their ‘active citizen’ role. The market, individuals and the ‘community’ increasingly fill the vacated space left by the Federal Government’s withdrawal from direct service provision. 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. In legitimising the expanded role of the community sector, there is considerable rhetoric that surrounds the practices of this sector, which essentially privilege community management over government and politics.

**Rhetorics of the New Regime**

Accompanying the new regime of welfare, there are a group of other inter-related ideas that are being enthusiastically taken up by and embedded within the community sector. It is our contention that these ideas represent the articulation of a highly seductive set of legitimising rhetorics, reflective of and constituting the new institutional order of the field. Here, we refer to the re-emergence of notions of ‘community’, the advent of social capital as an important social construct, social entrepreneurship, the enabling state, the third way and active citizenship. Clearly, each of these sets of ideas and associated practices has something to offer. Each is representative of a body of scholarship drawn from the disciplinary traditions of the social sciences. Each is attempting to articulate what may yet prove to be fruitful ways forward through the instabilities and upheavals of late modernity.

Taken together however, and positioning them in the context of when they emerged (that is, at the same time as politics generally shifts firmly to the right), we can begin to detect how the resulting matrix of ideas complements the underlying neo-conservative politics of the new regime of welfare and all that that entails. From this perspective we start to become aware of how the enthusiastic adoption by the community sector of this matrix of ideas may have unforseen and perhaps unwelcome consequences. This becomes particularly worrying if we conceptualise the entire package as part of the emerging institutional order of the community sector as an organisational field. That is, if our founding assumptions are correct, then the more
the ideas become part of the institutional order of the community sector, the more naturalised and rule-like they become, and the less able the sector will be to imagine yet alone act on alternatives.

The matrix of ideas

‘Community’, for example, is a core idea underpinning the emerging welfare regime (Reference Group on Welfare Reform, 2000), eagerly embraced by all levels of government as a foundation for policy (Adams and Hess, 2001). While community as a theme has long been asserted and associated with social policy and social practices, its current usage in policy is, among other things, intimately implicated in a conservative politics which serve to minimise state responsibility for the support of a whole range of life course dependencies. Invoking echoes of 1970s activism, the contemporary employment of community in policy carries entirely new meanings and norms of control fundamentally at odds with principles of social justice (Everingham, 2001). In a recent paper given at the 2001 National Social Policy Conference, Cass and Brennan identified seven different ways in which the notion of community is being asserted in contemporary policy discourse. What each usage holds in common, they argued, is that each contributes to an overall rhetorical obfuscation of the central individualist and contractual core of the new regime of welfare.

Similarly, Australia’s enthusiastic adoption of such constructs as social capital (Winter, 2000), and the promotion of such practices as social entrepreneurship (Mawson, 2001; Simons, 2001) form part of the emerging matrix of ideas, legitimising the new regime of welfare. Presented and promoted in un-problematised and largely de-contextualised ways, discussions of the supposed by-products of social capital, and the assumed rejuvenative powers of social entrepreneurship are implicitly
and explicitly counter posed to a pejoratively characterised ‘old welfare paradigm’ (Social Entrepreneurs Network, http://www.sen.org.au/what.html). In the same vein, the enabling state, the Australian version of the third way, encourages a critical assessment of the old (read disabling) state, ideally replaced by a highly responsive community, enriched with social capital generated via social entrepreneurial activity, facilitated by the new form of social democratic state (Latham, 2001). Throw in related notions of active citizenship, mutual obligation and reciprocity (Botsman, 2001), and the density and interconnectedness of the matrix of ideas currently in play becomes visible. For the purposes of efficiently progressing our argument, we collapse each of these slightly different yet clearly related ideas and their associated discourse, what we have called the matrix of ideas, into an overarching category of communitarianism.

**Communitarianism**

In many ways, the broad church of communitarianism represents attempts to re-locate citizenship away from the domain of the state and into that of civil society. Equating civil society with community (and in Australian debates, with the community sector), these accounts argue that citizenship, for example, is attained not through the exercise of rights and responsibilities, but through active participation. In this model, participation is presented as an unmitigated and un-problematised good, which conveniently ignores the wealth of community development knowledge that alerts us to the potential exclusivity of social participation.

A conservative but influential form of communitarianism has emerged in the political rhetoric surrounding welfare reform. Exemplified by the British ‘third way’ (Lund, 1999), local commentary (Cass and Brennan, 2001; Everingham, 2001) has
suggested that this form of communitarianism is actively informing Australia’s version of welfare reform. Reflecting the ideas of Etzioni (1995), it asserts a strongly moral version of citizenship as responsibility and participation in a web of mutual expectations within a culture of consensus. A less radical version of communitarianism, civic republicanism, is found in sectorial debates about the role of the community sector. Here, the imperative to participate is political as opposed to moral, and is embodied in participatory democracy, encouraging associational citizenship, engaging in and creating localised forms of governance designed to achieve common goals (Botsman and Latham, 2001).

So, drawing loosely on the tradition of civic republicanism along with conservative communitarianism, these are significant efforts to articulate and embed the community sector as key players in ‘civil society’, somehow creating ‘social capital’ alongside and sometimes through delivering services (Kendall, 2000; Lyons, 2000). These developments illustrate attempts by sectorial players in the emerging politics of welfare to position community organisations operating in territorially defined communities as legitimate, in fact desirable participants in the as yet fluid institutional arrangements operationalising the new regime of welfare (Latham 1996; Tanner 1999). On the surface, it takes on the status of a seemingly sound and morally acceptable justification for the dominance of the community sector in the delivery of community services.

The obscuring effects of rhetoric

This perception is sustained by the language of community that is used to identify a territory between the authority of the state, the free and amoral exchange of the market and the liberty of the autonomous rights-bearing individual (Rose, 2000:}
5). As Rose suggests: “This space of community is asserted as a kind of natural, extra-political zone of human relations; this is not merely an ontological claim but implies affirmation, a positive evaluation”. The rhetorical implication is that within this space citizens are somehow ‘free’ from government instrumentalities that are associated with the oppressive and disabling state. Thus, community becomes a counterweight to politics. The logic is that through voluntarism, citizens will rediscover their communities (Smith, 1998: 108), and somehow be liberated by that discovery. In reality, by shifting responsibility from one site to another, the negatively characterised regime of governance embedded in state delivery is replaced by an alternative (and possibly equally powerful) regime of guiding norms and practices.

The key feature of this new mode of governance is that the social relations, and practices of power of the community sector are obscured by a discourse of ‘civic engagement’, ‘community capacity building’ and ‘sustainable communities’. The language of social policy, in the process, shifts away from a focus on material inequalities, becoming fixated on patterns of ‘inclusion’ and ‘exclusion’. In turn, this transforms the problem of poverty, for example, into one that has less to do with material or cultural resources than with a lack of belongingness and of the responsibilities to others generated through connection to the circuits of moral community (Rose, 2000: 9) As a result, the social and economic processes that generate such phenomena as poverty, homelessness, inequality and violence are largely left out of the equation. Instead, the task is one of ensuring the ‘moral underclass’ adhere to a core set of values, such as self-reliance, honesty and concern for others (Levitas, 1998). Botsman (2000), for example, suggests that generating social capital is dependent upon the transfer of power from ‘welfare bureaucracies’ to empowered, skilled and resourced decision-making groups in the community.
Arguments such as these rest on claims that the state ‘crowds out’ social capital, and in doing so, ignore credible evidence that countries with high levels of social capital are countries that have high levels of universal, state provided welfare (Putnam, 2000). Rose and others, on the other hand, alert us to the potential and actual appropriation of the seemingly benign politics of communitarian visions reflected in the matrix of ideas discussed earlier, and the far from benign politics of the neo-conservative post-welfare regime. We begin to understand how it is that the tendencies embedded within communitarianism complement the anti-statism, anti-welfarism, and anti-collectivism of the emerging welfare regime. We also begin to see how it is that adoption of the new rhetorics of welfare constitute engagement with what can be considered as the new institutional order of the organisational field that is the community sector. As with all institutional orders, incorporation of it and within it, is likely to have very real material consequences for organisational roles, identities, behaviours and operations.

**The material risk of rhetoric**

There are several clear risks embedded within the sector’s uncritical adoption and propagation of the matrix of ideas. Theoretically, we have argued that these ideas are constitutive of the new institutional order of the community sector corresponding to and supporting the new regime of welfare. As such, the institutional order becomes naturalised and takes on a rule-like status, slipping out of the political domain of contested ideas into the realm of given. As this occurs, capacities to envisage alternative course of action and imagine other ways of organising welfare provision diminishes. The convergence of the matrix of ideas with neo-liberal politics creates a dangerous mix. There is, for example, a very real risk that as part of conforming to
the new institutional order of the field, community organisations retreat from engaging with the material practices of poverty relief (Horin, 2001). Accompanying this is a destabilisation and disarticulation of social justice as an organising principle and core value of the community sector. In its place are assertions of ‘community’, ‘association’, ‘participation’ and ‘voluntarism’, all of which run the risk of becoming the new dominant ideological framework of the field. Given the centrality of social justice in the normative framework of the old institutional order of the field, this is a significant indicator that major transformations are taking place, perhaps with poorly thought through consequences.

Furthermore, the assertion of the matrix of ideas held in contrast to the ‘old paradigm of welfare’ mischievously represents what the welfare state did (and in part, continues to do). With all of its difficulties and acknowledging all of its failures, the post-war welfare state in Australia did introduce and sustain significant redistribution of economic and social resources (for example, health care, universal education, income security). This did much to temper the risk of widespread poverty, for example, associated with recessionary periods. The creation of oppositional binary between ‘old’ and ‘new’ welfare is not only unnecessary for the promotion of the project of social entrepreneurialism, it undermines arguments in favour of mobilising resources of the state.

Finally, representing the community sector as a social space characterised as unambiguously ‘good’ limits our capacity to critically engage with the social practices of service delivery, the micro interventions into actual lives. Here, we refer to service provider-service user interactions, many of which are ambivalent, private, not transparent, and beyond the scrutiny of public accountability. While this is not a new ‘problem’ for the community sector, any development that diminishes sector
accountability to service users and to the wider public is to be regarded with considerable caution.

Conclusion

In this paper we have argued that the matrix of ideas represents the new institutional order of the field, establishing the sector’s fitness to occupy the space or niche constructed for it by the state’s withdrawal. Suggesting potential negative outcomes of the matrix of ideas as discussed here may prove to be overly pessimistic. Nevertheless, the congruence between their assertion and the entrenchment of neo-liberal politics suggests, at a minimum, that there needs to be a critical and reflexive debate about the actual practices and impact of these ideas, accompanying and engaging with sectorial assertions of moral and ontological virtue.
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