



**JOBS AUSTRALIA**  
NATIONAL CONFERENCE

27-28 MELBOURNE  
AUGUST 2014

Paul Smyth  
University of Melbourne  
The Lady Vanishes

Proudly supported by



Jobs Australia National Conference

27-28 MELBOURNE  
AUGUST 2014

Vic Leaders speaking out

- Julie Edwards JSS
- Tony Nicholson BSL

Not new

- Sambell (1966) *the lady vanishes?*
- Fyfe : 'a triangular tension field'
- Beveridge (1948) 'the moving frontier

Voluntaryism and the community sector

- What is its 'reason for being'?

- 'I once heard a description given of the Church as like a dear old lady in the middle of the peak traffic at the central railway station, being pushed and shoved about a bit until a voice says: 'Be kind to her. Don't push her about too much. She's lived a useful and long life; she hasn't much longer to go'. I sometimes wonder when I hear appreciation expressed of the place of voluntaryism whether the same sentiments are present – but unexpressed.'



### From Colonial times to Welfare State

- Not glamorous like USA or UK
- Welfare = Government economic management to underpin economic opportunity
- + The family wage (keeping people off 'welfare')
- But no to Poor Law (O. Twist)
- Anglican: from 'Acquisitive society' to Christian fellowship
- Catholics: Rerum Novarum\ 'subsidiarity'
- Strong communities between acquisitive Market and total State



Jobs Australia National Conference  
27-28 MELBOURNE  
AUGUST 2014

### Bringing in the welfare state

- Great Depression- WW2
- Churches change their mind
- New secular movements
- Titmuss: market egoism balanced by social altruism
- Marshall: market inequality by citizenship status
- Poverty not individual but systemic: indigenous-  
women-migrants- disability
- Non- market Resource distribution
- WS = Govt macro planning\ the micro politics

### What they did

- **filling gaps**
- **innovation**
- **counter** balance **bureaucratic centralism**
- **ombudsman** role
- **self-realization and fulfilment for citizens:**  
intermediate organisations

## What they did

- providing a **choice of service** in a pluralist society
- engaging in **community education** to prepare the way for necessary social changes
- undertaking **research and policy work** to promote social development
- undertaking **community development** at the local level
- By 1990, around 85% were post 1960

## Voluntary Sector and Market Economy

- 1980s-90s ec rationalism- NCP
- Til now not a radical threat: 'social justice' (ALP)- 'social conservatism' (Howard)- 'social investment' (ALP)
- Deloitte's (2013) social policy 'a substantial policy area—and a significant part of the economy—[which] has yet to undergo a wave of major reform'
- But what is reform???

## Radical liberalism

- *'It is a simple and proven formula for willing buyers to engage with willing sellers. If we want a product or service we go and buy it with the dividend from the fruits of our own labour. The producer is happy and the customer is satisfied. The problem arises however when there is a belief that one person has a right to a good or service that someone else will pay for. It is this sense of entitlement that afflicts not only individuals but also entire societies.'*

## On the UK model

- cut welfare spending
- especially for poorer minorities
- reinforce work incentives
- **privatise state provision**
- The objective is to embed cuts and shift ideas permanently to the right'

## Hilmer 2 – ‘the unfinished business’

- ‘new pro-competitive reforms in sectors with significant government participation such as education, health and aged care
- opportunities for businesses or organisations to compete in these areas
- government regulation that can foster competitive markets...’

## VOs as ‘Rival Businesses’

The law of Competition

- *‘Competition is the process by which rival businesses strive to maximise their profits by developing and offering desirable goods and services to consumers on the most favourable terms’.*

## What We do

- 'increase sales by offering low prices' / innovation and new technology
- 'gain advantage over rivals' by offering more attractive services and choice
- use the 'discipline' of the market to keep costs down
- accept that 'vigorous competition can be tough' but if they do 'lose market share' they are actually 'freeing up labour, land and capital for the expansion of other businesses better able to meet the needs of consumers'.

## Indeed the Lady vanishes

- Wishes away 200 years experience of market failures\ excessive inequality\ antisocial egoism generated by the market
- Voluntary sector has no distinctive contribution to make vis-à-vis state and market
- becomes just another rival 'business' in a privatised service market.

## VO Futures: time to choose

- UK employment services: multinationals cornering the big taxpayer dollars\ 'supply chains' \ dwindling Vos
- Germany privileges VO role. Churches, unions and other service providers as social partners not mere service providers.

Our Q if not a quasi-government agency managed by contract, nor a 'rival business' ruled by laws of competition, then what are we ?

## Revisiting the Dream

- VOs expressed a dream of a society which neither state nor market could fully deliver.
- Christian fellowship\ altruism\ Equality
- Have to reset the relationships between state market and society

On Offer:

- Radical Liberalism, or
- Social investment for Inclusive Growth

## Redefining the Functions

a mission of social reform:

- Community building\ community education\  
enlisting volunteers\ advocacy for change  
through research and community education\  
focus on people at the margins of the market and  
the state.
- Or the 'mission' becomes subordinate to  
developing 'rival business' practices for successful  
competition in a quasi market place.

## Run your own Review

- Voluntary sector has to take control of its own  
future
- Hilmer-Shergold ok for advising on efficiency  
when all agreed on goals

But economics no use for talking about:

- the kind of society you want?
- The balance between market state and society
- Governance arrangements for community  
development and strengthening democracy