

Paper for the 10th International Congress  
of the Basic Income European Network (BIEN):

## **The Right to a Basic Income: Egalitarian Democracy**

19-20 September 2004, Barcelona

---

# **Three Third Ways**

**Jørn Loftager**

Department of Political Science  
University of Aarhus  
Bartholins Allé  
DK-8000 Aarhus C  
Denmark

Tel: +45 8942 1286  
E-mail: [loftager@ps.au.dk](mailto:loftager@ps.au.dk)  
Fax: +45 8613 9839

**FIRST DRAFT**



# Three Third Ways

## Introduction

This paper aims at a critical discussion of the ‘Third Way’, which appears to be the currently most prominent and influential suggestion of a political ideology and strategy in accordance with the conditions of late modernity. I share the belief that any adequate political thinking of today ought to have a third way quality in the sense that it should go beyond both laissez faire market capitalism and planned economy of (state) socialism. Likewise I also agree that any appropriate socio-political model should include an elaborated notion of both the ‘individual’ and ‘community’, just as it ought to be explicitly aware of the potentials of the sphere of ‘civil society’. Lastly, I assume that an ideal of equal citizenship must be an essential part of any endeavour of constructing ‘third ways’.

I think, however, that there are serious reasons to doubt the adequacy of the predominant Third Way. Its proponents use to present it as a response to the defects of the previous social democratic or social liberal ideas which – it is argued – cannot meet the challenges of the transformations of late modernity in general and globalization in particular (Giddens, 1998). But as far as I can see, at least some versions of this former (and *first*) third way possess qualities and potentials which the current Third Way fails to acknowledge. Especially, what I have in mind is important traits of *universalism* and I shall contend that these traits do not only miss recognition theoretically, they are also endangered in practice by the new and more selective policy measures of present day’s Third Way. At the same time this (*second*) Third Way also seems to lack the capacity to grasp some real flaws of technocracy inherent in the institutional set-up of the ‘old’ welfare state.

So, what I intend to do is to make a case for a re-appraisal of the merits as well as the shortcomings of the first third way in order to question the validity of current Third Way thinking. This opens the scene for new deliberations on how to construct a (*third*) third way which will be better suited to serve as a political ideological guideline for present day politics, and I shall argue that there are good theoretical-normative as well as practical-empirical reasons to consider a basic income scheme as an essential part of such a Third Way.

In the first section I shall make some introductory remarks in order to sketch out very briefly the post war political-ideological landscape as an overall framework for the following discussion of three third ways. In the second section the purpose is to outline a theoretical reconstruction of the *first* third way by reference to T.H. Marshall's theory of citizenship and Émil Durkheim's notion of organic solidarity. The (former) Danish welfare system will serve as an empirical illustration. In the third section the present third way is broadly characterized, partly theoretically and partly by references to Danish welfare reforms of *activation* during the last ten years. A main critical point will be that present day's third way policies are threatening important *liberal* qualities of community and individuality associated with the universalism of the first third way. Finally the fourth section outlines how a new (*third*) third way, including a basic-income scheme, might constitute a more attractive alternative able to meet the challenge of late modernity without eroding the liberal democratic ideals and promises of equal citizenship.

## **Post-war political ideology**

In the shape of social liberal as well as social democratic political thinking the idea of a third way between 'market and state', of course, has been a well known ideological position for nearly two centuries. However it was not until the development of the post-war welfare state that the idea got a firm grip in social and political institutional reality. Dearly bought experience from the preceding decades had revealed that neither the planned economy of state socialism nor free-market capitalism made up an adequate basis of democratic government. By means of a politically regulated market economy and a basic measure of welfare for all, the welfare state was supposed to lead society along a new and democratic third way. In a long-ago classic essay, T.H. Marshall outlined how an equal status of citizenship was progressing on the basis of universal civil, political and – especially – social rights in spite of the continuing prevalence of economic inequalities inherent in market capitalism (Marshall, 1996; cf. below).

This suggestion of compatibility between capitalism and democracy was accomplished during the next two decades to such an extent that around 1960 it became commonplace for sociologists and political scientists to announce the death of the ideologies from the 19th century - first and foremost liberalism and socialism. The death-of-ideologies thesis originated from an optimistic faith that the final and definitive formula for social progress had at last been found. For instance in 1959 Lipset declared:

"The fundamental problems of the industrial revolution have been solved; the workers have achieved industrial and political citizenship, the conservatives have accepted the welfare state, and the democratic left has recognized that an increase in the overall state power carries with it more dangers to freedom than solutions for economic problems" (Lipset, 1959: 406).

As is well known the period of this paradigmatic optimism on behalf of industrial society - including political democracy, capitalism and the welfare state became rather short. In the late sixties it was clear to everyone that political ideology was not only a matter of the past. During the seventies all kinds of so-called counter cultural movements emerged; socialism got a revival by the (new) left and Marxism became an important part of the agenda of critical social theory. The target of the critique was capitalism, and class struggle between labour and capital was seen as the motor of history paving the way for socialism. However, the socialist alternative was never spelled out in any detail by the new left. The substance of what should be (another) third way between "real existing" Soviet-type socialism and Western capitalism remained to a large degree a mystery.

In the eighties Marxism lost most of its status as dominating model for critical social and political theory and the greater part of critical social theory did choose a decisively new course. Perhaps one might say that on the overall level what happened was a replacement of 'capitalism' by 'modernity' as the core concept. The analysis of the dilemmas of modernity rather than the contradictions of capitalism became the most basic task for theorists like Habermas (1981), Giddens (1990), Gorz (1990), Wolfe (1989), Keane (1988). Behind the many and profound differences between the theories of such writers there was a common agreement that the old conflict between the classes of capitalism – the traditional left and right – had lost its emancipatory substance and meaning. The most fundamental political issues and challenges of contemporary society were no longer class-specific and they could not be countered by the media of money and power – to use Habermas' terms. And the reason for this is that the root of the troubles were to be found in the growing prevalence of the market and the state as societal forms of organization. Accordingly the strengthening of the lifeworld (Habermas), the sphere of autonomy (Gorz) or civil society (Wolfe) by means of a new "lifepolitics" (Giddens) was presented as a common practical guideline of critical social theory. At the same time there was a general agreement that civil society does not in itself contain the principle of organization for an alternative society. Both the market and the state are here to stay

and that of course accounts for a remarkable tendency compared to the dichotomy between capitalism and socialism in the tradition of Marxist theory.

As the Third Way manifested itself in both theory and political practice during the 1990s (Giddens1998) it can be seen in important respects as an outgrowth of these tendencies in critical social theory. First and foremost it shares the conviction that the 'old' welfare model has exhausted its potentials and it also focuses on civil society in order to enhance community and social inclusion. At the same time, however, the Third Way and its policies of 'positive welfare' also seem to underestimate some of the critical insights concerning, especially, the kind of social control and repressiveness of the welfare state connected to the 'colonization of the lifeworld by the system' (Habermas). In the words of Offe such repressiveness is indicated by the fact that

"in order to qualify for the benefits and services of the welfare state the client must not only prove his or her 'need', but must also be a *deserving* client - a client, that is, who complies with the dominant economic, political, and cultural standards and norms of the society" (Offe, 1984: 156-57).

More importantly, perhaps, in both cases the general negative assessment of the 'old' (first) third way seems to underestimate or overlook some very important qualities, potentials and conquests of this type of thinking and practice.

## **The first third way**

As mentioned above the objective of this section is to outline some basic 'ideal typical' characteristics of what I term the first third way by reference to the sociological theories of T.H. Marshall and Émile Durkheim and illustrated by the (former) Danish welfare model.

### *Equal citizenship and organic solidarity in theory*

Marshall's seminal essay *Social Class and Citizenship* has a clear-cut third way character in the sense that its main theme concerns the intermediation between democratic citizenship and the class inequalities and conflicts of capitalism (Marshall, 1996). Marshall's theory has often been associated with the *universal* and *social-democratic* so-called 'de-commodifying' welfare state as it

has developed in the Nordic countries (Esping-Andersen, 1990), yet it would be more correct to label the theory ‘social-liberal’ because of its distinct liberal qualities (Turner, 1993).

The basic message is that the class inequalities of capitalism can be met by establishing an equal *status* of citizenship – “the inequality of the class system may be acceptable provided the equality of citizenship is recognized” (1996: 6). According to Marshall, citizenship is constituted by three sets of universal rights: civil, political and social rights evolving in the 18<sup>th</sup> the 19<sup>th</sup> and the 20<sup>th</sup> century, respectively. A crucial point is that the different rights make up a *system* of rights, so that the accomplishment of each of them presupposes the completion of the others. Especially, Marshall stresses how the equal fulfilment of civil and political rights is conditioned by the establishing of universal social rights. Whereas public support under the poor law resulted in *withdrawal* of civil and political rights the fundamental novelty of the 20<sup>th</sup> century is that such support is given *as* rights

”... social rights imply an absolute right to a certain standard of civilisation which is conditional only of the discharge of the general duties of citizenship. Their content does not depend on the economic value of the individual claimant ... thus creating a universal right to an income which is not proportionate to the market value of the claimant” (1996: 26, 28).

The same universalism, which is constitutive for the state governed by law should also characterise the welfare state. And it is precisely because social rights are given as universal rights of citizenship that the problems of stigmatisation and clientelisation are avoided.

“What matters is that there is a general enrichment of the concrete substance of civilised life ... Equalisation is not so much between classes as between individuals within a population which is now treated for this purpose as though it were one class. Equality of status is more important than equality of income” (1996: 33).

Whereas Marshall concentrates on rights the importance of duties are also stressed. On the other hand the idea is not a communitarian constitutive linking of duties and community. Because of their universality the rights of citizenship themselves generate social integration and solidarity and that is the reason why the corresponding idea of community can be designated ‘liberal’. The universal rights should be interpreted as equal citizens’ mutual recognition as belonging to the political

community which is constituted by the citizenship and which is different from pre-modern kinship based communities as well as modern communities based on shared national-patriotic values and sentiments. The social integration “spread from the sphere of sentiment and patriotism into that of material enjoyment” (1996: 26).

However, regarding the issue of integration and solidarity, it is helpful to consult Durkheim’s famous *The Social Division of Labor* (Durkheim, 1984) in order to grasp the ‘secret’ of the first third way. The overall theme of this analysis is to explain how social order and cohesion can be maintained under modern conditions. The project is to show a path along which the dialectic of modernity should be able to move. The centrifugal forces and oppositions of modern capitalist society with its highly developed division of labour are not denied by Durkheim, but he rejects Marx’s conclusion that a necessary pre-condition for human progress is the revolutionary abolition of existing social structures of capitalism. Modernity in general and the division of labour in particular are not incompatible with social order and cohesion. Rather, the division of labour is the essential source of a new kind of solidarity.

His argument is based upon a crucial distinction between two notions of solidarity. On the one hand, mechanical solidarity, which he also calls solidarity of similarities. The secret and substance of this kind of solidarity consist in agreement on values and beliefs. You show and manifest solidarity towards persons and groups with whom you share basic beliefs and convictions. A society held together by means of mechanical solidarity is a society with a strong ‘collective consciousness’. Accordingly it has only small room for individuality and different values. ‘...this solidarity can only increase in inverse relationship to the personality’ (Durkheim 1984: 84). Consequently, there is a zero-sum game between society and individuality.

Mechanical solidarity is linked to penal or criminal law, where sanctions are repressive. The primary function of punishment is not to rehabilitate the offender or to deter others but to maintain inviolate the cohesion of society by sustaining the common consciousness in all its vigour.

On the other hand, we have organic solidarity. Rather than being a solidarity of similarities, this kind of solidarity assumes that individuals differ among themselves. The relationship between society and the individual is here a positive-sum game.

‘the individuality of the whole grows at the same time as that of the parts. Society becomes more effective in moving in concert, at the same time as each of its elements has more movements that are peculiarly its own. This solidarity resembles that observed in the higher animals - the greater the unity of the organism, the more marked the individualization of the parts ... we propose to call organic the solidarity that is due to the division of labour’ (Ibid.: 85 ).

The organic type of solidarity corresponds, Durkheim says, to civil law. Here the function of sanctions is restitutory. They constitute no part at all of the collective consciousness, or subsist in it only in a weak state. Instead, their purpose is to restore situations which have been disturbed. Any society rests upon a mix of these two kinds of solidarity, but with the ever increasing individualization and division of labour many societies will probably end up being based almost exclusively on organic solidarity. Thus, they will depend less upon shared identities and more upon recognition of functional inter-dependencies.

The common consciousness is not threatened with total disappearance. ‘But it increasingly comprises modes of thinking and feeling of a very general, indeterminate nature, which leave room for an increasing multitude of individual acts of dissent’ (Ibid.: 122).

However, Durkheim says,

‘in one area the common consciousness has grown stronger, become more clearly delineated, viz., in its view of the individual. As all the other beliefs and practices assumes less and less religious a character, the individual becomes the object of a sort of religion. We carry on the worship of the dignity of the human person ...’ (Ibid.).

Finally, another important part of Durkheim’s theory has to be mentioned. At the time of writing, in the late 19th century, the insistence on the division of labour as the basic source of solidarity and cohesion in modern society was opposed by a lot of empirical evidence. Whereas societies were in fact characterized by a growing division of labour, they were clearly in shortage of social cohesion and harmony. Durkheim met this challenge by elaborating the theory with so-called anomic or pathological forms of division of labour caused by economic crisis, the relationship between labour and capital and the functional specialization of science. It would carry us too far to go into any detail concerning the medicine Durkheim suggests to cure the anomalies. But I think it is interesting to notice how Durkheim stresses equal conditions and justice as essential prerequisites for a division

of labour to be *spontaneous* and not forced. And only a spontaneous division of labour produces solidarity - just as the social merits of Smith's invisible hand presupposed free and unforced contracting (cf. Jordan, 1998).

Contrary to widespread images of Durkheim as a straightforward conservative thinker, it seems much more appropriate, regarding his theory of solidarity, to draw attention to its genuine liberal elements. I.e. not an economic liberalism or utilitarianism but a political liberalism that emphasizes the integrity and autonomy of each and every individual and according to which the state should aim at neutrality and universality, treating people not as bearers of particular norms and values but as citizens with freedom and responsibility to designate their own life projects.

As far as I can see, this is precisely what makes his thinking of immense current interest. It offers an account of social solidarity which later on was confirmed substantially in the political practice of the democratic welfare state. And the Danish case constitutes perhaps one of the most convincing examples of this.

#### *Equal citizenship and organic solidarity in practice: a Danish illustration*

In what follows I shall substantiate this assessment by referring briefly to the Danish development, which also seems to have accomplished Marshall's anticipations to a high degree.

Firstly, the Danish welfare state is an example of the universalistic model, where relatively generous social goods and services are tax-financed and given as rights of citizenship. Referring both to the political forces that brought about the Nordic welfare states historically and to their so-called de-commodifying qualities, it has been commonplace to label these states 'social democratic' (Esping-Andersen 1990). However, at least regarding the Danish welfare state, I think that 'social-liberal' is a much more appropriate designation. On the one hand, the liberal or bourgeois political parties have played a major role in important formative decisions (Nørgaard, 1999). On the other hand, and more importantly, the principle of universalism belongs basically to a *liberal* universe. And whereas it is important to stress the de-commodifying aspects of social rights of citizenship, it is just as well crucial to notice and recognise the market *conformity* characterising universalistic rights and schemes.

Historically, the development of the Danish welfare state nicely illustrates Marshall's theory of a progressing citizenship (Loftager, 2004), but here we have to concentrate on the period since the early 1970s. In that period the Danish welfare system has contributed to a practical 'universalisation' in the specific sense that virtually all grown-up Danes have become individual income-receivers, which amounts to no less than a basic historic novelty. The expansion of the public service sector played an important role for a profound increase in women's labour-market participation rate; the same did undoubtedly the extension of the system of income transfers, and in all cases it meant that almost all people without an earned income of their own were guaranteed an income from the state. In that respect, it is crucial to notice that various job-offer and educational schemes made it possible to regain entitlement to unemployment benefits practically without any time limit. A so-called principle of income-replacement in the social security system was pointing in the same direction, and so was an early-retirement scheme, which quickly became a universal right, partly by virtue of its being financed by general taxes and partly by virtue of the fact that it covered most of the work force. In addition, for some years a so-called transitional benefit allowed long-term unemployed people above 50 years of age to go on (very) early retirement. At the other end of the age scale, the child allowance was universalised, in the sense that it was granted without income test, and the same became true of the educational benefit system. Altogether, this development indicated a scenario towards the ultimate universalistic welfare system, namely that of a basic or citizen income given unconditionally as a right to every citizen (Goul Andersen 1996; Loftager 1996).

In a broad historical perspective, it seems both instructive and obvious to appraise the resulting securing of universal economic independency as a kind of substitute for the general possession of property which used to make up a necessary – although not sufficient – requirement for a democracy based upon a status of equal citizenship. Certainly, Marshall did not imagine a development like the Danish, neither regarding the size of the workforce, nor concerning the large proportion – around 20 per cent – of the population on public transfer income. However, these conditions don't seem to be inconsistent with his ideal. This is self-evident with regard to the emergence of an independent basis of support for women, and actually it can be brought up as a rather serious problem in Marshall's analysis that he ignores the question of women's (previous) economic dependency on the husband. It might seem more difficult to bring a situation in which around 20 per cent of the population of working age live on transfer payments into accordance with

a notion of equal citizenship. In principle, however, it is unproblematic. As mentioned above, the decisive thing is that a person's status is not determined by his or her market capacity but by universal rights of citizenship. Quite another thing is, of course, if the condition of receiving 'passive' support results in marginalisation and exclusion. Precisely that has been a main point of view in the Danish political debate on welfare in general and a central argument behind the activation reforms in particular, but, as will appear below, it is an argument without firm empirical foundation.

### The Second Third Way of Activation: a Critical Account

In this section the intention is firstly and very briefly to suggest an interpretation of the change from the first to the second (and present) Third Way and secondly to substantiate this change by reference to the Danish welfare reform during the 1990s.

A general thesis is that the new mix of welfare principles represents a transition from a combination of organic solidarity and liberal citizenship toward a combination of mechanical solidarity and possessive individualism. This is indicated in the figure below, which also indicate how other ideological positions might be characterized within the theoretical perspectives in question.

		<b>Community</b>	
		<u>Mechanical Solidarity</u>	<u>Organic Solidarity</u>
<b>INDIVIDUAL</b>	<b>'Economic man'</b> <u>Consumer</u>	Third Way	<u>Social Democracy</u>
	<b>'Political man'</b> <u>Citizen</u>	<u>Republicanism/Communitarianism</u>	<u>Social Liberalism</u>



The shift from an organic to a mechanical notion of solidarity represents a paradox in perspective of Durkheim's theory according to which the solidarity of modern society to a still larger extent will go toward the *organic* type.

Of course, a possible explanation of this paradox might be that either the theory or my way of using it is invalid. Another possibility, however, is that the new welfare principles are based on misleading premises and that is in fact my contention. The basic hypothesis is that the transition from a social liberal to the (new) Third Way rests on problematic premises in the sense that it reflects a biased picture of the relative advantages and disadvantages of the two positions ('third ways') in question. In this connection a major issue is if the new welfare principles will be as able to secure an equal status of democratic citizenship as were the former principles.

#### *'Activation' – The Danish Third Way*

The changing ideas of a new welfare mix have been phrased under headlines as 'from welfare to workfare', 'from passivity to activation' and 'from universality to selectivity' and in harmony with the supply-economic way of thinking some of the new principles relate obviously to neo-liberal ideas of welfare stressing contractual reciprocity and 'give and take'. However, the welfare reforms are also deeply indebted to concerns of community. In addition to the neo-liberal components they also refer to communitarian notions of community and inclusion based on shared values in general and the intrinsic value of work in particular.

It is disputed how radical a change the activation strategy in Denmark represents. Some argue that it is in good accordance with traditional policies (Green-Pedersen et. al., 2001; Nørgaard, 1998), others find that it involves a heavy tightening but not qualitative changes (Abrahamson & Oorschot, 2002), and still others claim that the changes amount to a shift of paradigm (Cox, 1998). My own conclusion is that it is in fact justified to talk about a radical change of paradigm. Although at present much looks the same as before, potentially far-reaching changes have been implemented, and a new discourse has clearly manifested itself (Jespersen & Rasmussen, 1998).

First and foremost and very simple: Whereas so-called 'passive' support used to make up an/the obvious general *solution* to the generic social-order problems of capitalist society, such public support is now conceived of as the basic *problem*. The inspiration behind this 'Copernican turn' clearly comes from the idea of workfare rather than welfare, which in turn forms a basic part of the

politics of the current Third Way (King, 1995; Jordan, 1998; Rose, 1999). In that connection, it is important to stress that workfare is not concomitant to a neo-liberal minimal-state strategy. Rather, it is primarily coupled to communitarian concerns for community and inclusion accompanied by a strong conviction that it is both the right and the duty of the state to take responsibility for its protection (Mead 1986, 1997; Etzioni, 1993). Secondly, however, the discourse of activation also includes economic-liberalistic notions of 'give and take' (Jespersen & Rasmussen, 1999; Nørskov Toke, 2002), and precisely the combination of neo-liberal supply-economic beliefs and a communitarian philosophy of community appears to be characteristic of the present Third Way. For a more elaborate and general analysis, readers are referred to Nicolas Rose, who shows how notions of human and social capital make up mitigating elements in that they introduce "etho-politics into economics through the capitalization of morality in the service of national economic advantage" (1999: 282). Here I shall content myself with discussing the way in which this mixture appears in the Danish politics of activation.

It finds an immediate expression in a typical doubleness regarding the anxiety for societal solidarity. That is to say, the anxiety does not only relate to the (asserted) negative consequences of welfare benefits to the recipients. It also concerns the legitimacy of the benefits in the eyes of the taxpayers – how can one expect them to accept high tax levels in order to support people who don't do anything in return?

The basic assumption of the activation strategy is that passive support is de-qualifying as well as demotivating. It takes away the incitement to seek and accept jobs and so it produces marginalisation from the labour market, which in turn results in further social marginalisation and exclusion.

However, the answer should not be 'laissez faire, laissez passer'. Rather, the response should be what Giddens in his *The Third Way* labels 'generative policies', aiming at 'positive welfare' (Giddens, 1998). Whereas the old welfare state passivated and clientelised its citizens, the new Third-Way welfare state is going to insure that each individual becomes able to support himself and so contribute to the community. In that respect, the central instrument is the duty to do something immediately in return for any public support received.

But, one might object, is this something new? Has it not always been the case that the right to support is conditioned by an obligation to work? The answer, of course, is yes. The difference – and the difference that really makes a difference – is, however, that previously the duty of availability was a duty to accept an offer of a job on *ordinary* and *negotiated* conditions on equal terms with everybody else. In other words, the difference is between duties and requirements that are universally in force and duties that are not known in advance and are not the result of a freely negotiated contract. General duties and obligations are totally in accordance with the liberal ideal of an equal citizenship. Because of their universality, duties to pay taxes, to education and to military service etc. express *equality* of status. In contrast to that, the activation duties as they are defined – in the last instance – by the authorities signalise and institutionalise differences and *inequality* of status.

Compared to other descriptions of the activation policies, the above way of characterising it may look rather biased. In his analysis, for instance, Torfing stresses how the Danish government has succeeded “to detach workfare from its neo-liberal ‘origin’ and to reformulate its content in accordance with the socio-political legacy in Denmark” (Torfing, 1999:17). It is emphasised, that the Danish success in fighting unemployment does not reflect an increasing number of “working poor”, and Torfing also gives a basically positive account of the activation measures and demands vis-à-vis each individual unemployed. In that respect, the so-called individual action plans are of crucial importance. They are plans that are prepared for each unemployed person in order to improve the effectiveness of the efforts. In accordance with the officially formulated intentions, Torfing stresses that the plans make it possible to target activities and demands in ways that are meaningful, and he states that “activation through participation in “futile work-for-the-sake-of-working projects” is limited, as the law does not aim at repressing and punishing the unemployed” (ibid.:18).

Immediately, this is correct. At the same time, however, it must be added that no one has tried to disguise that activation is not only about carrots. It is also about sticks, and the authorities does not try to deny that the expected effect of activation to a considerable degree is due to the factor of motivation which is connected both to the demand of activation and to the prospect of loosing one’s income for good (Arbejdsministeriet, 2000).

In some cases the element of targeting may result in greater effectiveness, and evaluation studies indicate that a majority of the involved persons express positive attitudes towards the activation projects (Hansen, 2001). Nevertheless, it appears to be more than doubtful to characterise the politics of activation in general and the action plans in particular as being in good accordance with the Danish socio-political legacy. The very idea that it is the responsibility and duty for the state to demand binding contracts with citizens on so far-reaching matters represents a paternalism that seems alien in a Danish context (Nørskov Toke, 2002). Certainly, in some cases paternalism might be in accordance with liberal premises, namely if the people in question have lost their autonomy, for instance because of old age, illness or drug dependency. It goes without saying that it is a very exceptional situation regarding unemployed people, and so there has evolved an apparent discrepancy in Danish social policy between on the one hand a subject area like compulsory treatment of drug addicts, where the authorities have been very cautious not to encroach the integrity and autonomy of the individual, and on the other hand the area of activation, where this hardly has been an issue at all.

People on activation are not only obliged to work on other and poorer conditions than people in ordinary jobs, in that they don't enjoy what Marshall termed 'collective civil rights' stemming from collective agreements. Another, principally far-reaching change of the Labour market-reform of 1994 is that activation activities no longer means renewed right to unemployment benefits. As a result, the previous guarantee of upholding the status of individual income receiver does no longer exist. The period of support is limited to four years; after that, unemployed people might get social security payments, but these are tested against the family income so that even a rather modest income of the spouse eliminate the entitlement.

In this way (involuntary) private support has re-emerged as a socially recognised and legitimate form of support. In the light of communitarian ideals of strong family ties, this may be appraised as a step of progress, but it seems difficult to bring in harmony with liberal ideas of equal citizenship.

In the Danish debate it has been a main argument against passive transfers that they generate dependency on the state and undermine the ideal of taking care of oneself. However, apart from the fact that people on activation still get their livelihood from the state, what matters according to a citizenship perspective is not dependency as such but different sorts of dependency. Again, in

perspective of the ideal of equal citizenship, the critical types of dependency are those that do not appear from general rules but stem from unpredictable bureaucratic discretion. In those cases, there is a principal risk of encroachment of the citizens' autonomy and integrity and so – ultimately – of weakened civil and political rights (King, 1999). Especially if democratic participation is supposed to include the opportunity of *public* participation in political reasoning and opinion formation is of crucial importance, then a necessary precondition is the presence of the kind of private autonomy that the course of activation potentially threatens. If your economic subsistence is dependent on the good will of the authorities, then this makes up a rather weak basis for (critical) political activity – parallel to the intimidation of electors by employers before the ballot was made secret (Elklit, 1989).

In addition to that kind of potential direct consequences, the activation might also weaken the status of citizenship more indirectly by producing stigmatisation: activated persons are 'weak' persons, who need special treatment and help in order to develop appropriate attitudes and personal qualities (Carstens, 1998; Mik-Meyer, 1999). And activation as upbringing is, of course, a primary example of communitarian paternalism.

In general, the difference between the previous and the new Third Way can be said to consist of two categorically different notions of community. Whereas Marshall's citizenship is to be understood as a liberal socio-political community of citizens with equal rights and duties, the community associated with the politics of activation is identical to the community of work. It appears - mechanically - as a reflex of everyone's respecting the norm of doing paid work. So, activation is not merely a means to get more people into ordinary jobs, it is also an end in itself, because it ensures, "that people are included in meaningful (work) communities. I.e. participation in this connection is an aim in itself, because it is considered to be good to the individual – also if it does not lead to Self-support" (Socialministeriet, 2000: 50-51) (my translation, JL).

As shown in several analyses, such communitarian argumentation is widespread in the Danish discourse of activation (Jespersen & Rasmussen, 1998; Nørskov Toke, 2002). Referring to Durkheim's famous conception of solidarity, this indicates the presence of a mechanical understanding of solidarity, according to which inclusion is based on the sharing of common values and norms (Loftager, 2000). If one *defines* community as community of work, activation becomes a

categorical imperative, i.e. a claim and a duty that doesn't need to be argued further by means of reference to specific consequences.

This interpretation is in good accordance with the fact that the belief in the principle of activation has not been disturbed by several studies which to a large extent have questioned its results in terms of effects on employment and its basic assumptions in general. So there has been cast serious doubt on the core supposition, namely that passive support produces marginalisation and exclusion. Certainly, it has been well documented that there is co-variance between (long-term) unemployment and a lot of social problems and calamities such as problems of abuse, family dissolution, illness and early death (Nygaard Christoffersen, 1996). But what is the cause and what is the effect? It goes without saying that for instance serious illness might be the cause of long-term unemployment rather than the other way round. On the other hand, studies of people on public transfers clearly indicate that passive support only to a very small degree produces marginalisation. The striking and perhaps surprising fact is the extent to which long-term unemployed people and people on early retirement manage to continue their usual daily lives concerning habitation, contact to family and friends and participation in various social activities (Goul Andersen 1996, 2002, 2003).

Likewise, the fear of a shrinking solidarity among the taxpayers towards the receivers of public transfer payments also seems to be unfounded (Goul Andersen 1996).

With regard to the profound reduction of the number of Danish unemployed persons during the 1990s, it is commonplace to explain it as an effect of the activation policies. However, this assumption is not in accordance with available facts and figures either. A recent overview of the existing evaluation studies in Holland and Denmark concludes that the employment effect of activation has been rather limited, and in some cases even negative (Abrahamsson & Oorshot 2002). Furthermore, a panel study which followed a number of unemployed persons over four years casts heavy doubt on the validity of the basic premise of unemployment as primarily *structural* unemployment. The study in question shows that renewed labour-market integration can only to a very small extent be explained by the expected factors. I quote from the English summary:

”We can only find weak relationships between the central independent variables and the integration into the labor market. The group with low education has not been less integrated than the better

educated groups. ... The same holds for the relationships between different work-willingness-variables, number of years unemployed and integration into the labor market. It turns out that very basic assumptions of the active strategy are questionable” (Albrekt Larsen, 2000: 139)

Finally, in addition to the much celebrated reduction of unemployment from 349,000 persons in 1993 to the 150,000 persons in 2000, corresponding to 57 per cent, it is worth mentioning that the total number of publicly supported persons in the same period only was reduced from 1,034,000 to 890,000, corresponding to 14 per cent (Dansk Arbejdsgiverforening, 2001); and also that the employment rate for the age-group 15-66 was the same in 1999 as it was in 1993, namely 73.5 per cent (CASA, 2000).

## **Towards a third Third Way**

On the basis of the above line of reasoning the current Third Way makes up a problematic ideological position compared to the former third way. It seems to disregard the logic of equal citizenship as explicated by Marshall just as it ignores the actuality and potentials of what Durkheim termed an organic solidarity. Moreover, considering the Danish case one might doubt whether the policies of the new paradigm of activation and selectivity will be able to accomplish similar positive results in the longer run (Loftager, 1996). That applies for obvious reasons to basic dimensions of the issue of citizenship but also - I should argue - to important parameters of economic efficiency, and a basic reason for that the universality of the former model is in conformity with rather than in opposition to the market mechanisms, whereas the elements of selectivity in the activation policies will unavoidably produce distortions which might produce problems with regard to economic efficiency.

At any rate, it is doubtful to conclude, as does Cox in his analysis of the Danish shift of paradigm:

“Change comes as new thinking provides a better explanation for problems than the old way of thinking. ... The burden of proof is on the new paradigm. Not until it demonstrates itself better capable of solving the problem will it be accepted by the mainstream.”  
(Cox,1998.: 410)

I find it more accurate to say that the Danish case shows the opposite, namely that it is possible to establish a new mainstream without having to certify its superior problem-solving capacities at all. Activation is the solution - but what is the problem? The paradox is that the problem in a certain sense seems to be lack of problems - at least if one does not choose to *define* the existence of a huge number of citizens receiving public transfers as a fundamental problem in itself. In one of his studies of social marginalization among the unemployed, Goul Andersen concludes that 'The majority are to a large degree able to maintain their former way of life, to maintain, or even improve social contacts, to adapt to the situation - or even to enjoy it.' (Goul Andersen, 1996: 170-171). And this picture is confirmed supported by recent data on the life quality of among people on early retirement (Lund Clement & Goul Andersen, 1999). For instance it shows that 75 percent place themselves between 7 and 10 on a scale from zero to ten regarding "general satisfaction with life" (p. 2).

Why are such findings not warmly welcomed as good news? Why does (almost) no one express happiness and satisfaction that more than two decades of mass unemployment has not caused huge problems of poverty, marginalization and polarization? And why is it a problem that unemployed people show differentiated attitudes and incentives to work, when at the same time the labour market is functioning quite well? Why not endorse the freedom of individual choice rendered possible by universal, 'passive' cash benefits? Why is it - apparently - a problem that for most people unemployment is not a devastating problem?

The answers are blowing in the wind, but I think it is fair to conclude that the questions indicate an obvious neglect of the possible presence of an organic kind of solidarity. Or, such kind of solidarity is considered to be a somewhat inferior and unsustainable type of solidarity. On the level of discourse, this finds expression in a firm stereotype of contempt regarding the so-called 'solidarity via the tax bill', i.e. real or genuine solidarity presupposes acts of charity in which people involve themselves personally. What Durkheim would appreciate as excellent examples of modern organic solidaristic combinations of community and individuality recent policies interpret as pathologies. Moreover, it is a risk that the new policies will be accompanied by new forms of injustice and inequality and subsequently will demolish the spontaneous development of organic solidarity from the division of labour.

Discourses are not innocent – a truth which seems to apply particularly for the discourse of activation. No matter how weak its foundation is, it can make itself actual like a self-fulfilling prophecy. If you keep repeating that it is principally impossible to justify cash benefits without some work activity in return, then people might actually start to behave accordingly.

To the extent that my conclusions are valid it follows that a more adequate third way ought to be formulated in continuation of rather than in opposition to the Marshall/Durkheim like former and first third way. Instead of following the current Third Way of selectivity, it seems appropriate to suggest an *expanded* universalism as an obvious alternative. It is beyond this paper to appraise the realism and practicality of a basic or citizens' income, but the general positive Danish experiences concerning the 'passive' – but not passivating – economic transfers might indicate that such an income scheme is much more sensible and imaginative than the currently dominating discourse on welfare politics would lead us to believe. As a third 'third way' it might be an interesting new chapter in the history of expanding citizenship.

## References

- Abrahamson, Peter. & Wim. v. Oorschot (2002), *The Dutch and Danish Miracles Revisited: Comparing the Role of Activation Policies Within Two Different Welfare Regimes*, Paper prepared for presentation at the 2<sup>nd</sup> COST Action 15 Conference, Oslo, April 2002.
- Albrekt Larsen, Christian. (2000), *Det danske mirakel set fra jorden - en revurdering af grundlaget for aktiveringsstrategien*, Speciale, Administrationsuddannelsen, Aalborg Universitet.
- Arbejdsministeriet (2000), *Effekter af aktiveringsindsatsen*, Copenhagen: Arbejdsministeriet.
- Carstens, Anette (1998), *Aktivering – klientsamtaler og socialpolitik*, København: Hans Reitzels Forlag.
- CASA (2000), *Social Aarsrapport*, Copenhagen: Socialpolitisk Forlag.
- Cox, Robert Henry (1998), "From Safety Net to Trampoline: Labour Market Activation in the Netherlands and Denmark", pp. 397-414 in *Governance*, Vol. 11, No. 4.
- Dansk Arbejdsgiverforening (2001), *Arbejdsmarkedsrapport 2001. Tal og diagrammer*, København: DA.
- Durkheim, Émile. (1984), *The Division of Labour in Society*, London: Macmillan.
- Elklit, Jørgen (1989), *Fra åben til hemmelig afstemning*, Århus: Politica.
- Eriksen, Erik. Oddvar & Jørn Loftager (eds.) (1996), *The Rationality of the Welfare State*, Oslo: Scandinavian University Press.
- Esping-Andersen, Göran (1990), *The Three Worlds of Welfare Capitalism*, Oxford: Polity Press.
- Etzioni, A. (1993), *The Spirit of Community*, London: Fontana Press.
- Giddens, Anthony (1990), *The Consequences of Modernity*, Cambridge: Polity Press.
- Giddens, A.(1998), *The Third Way: The Renewal of Social Democracy*, Cambridge: Polity Press.
- Gorz, Andre (1990), *Critique of Economic reason*, London: Verso.
- Habermas, Jürgen (1981), *Theorie des Kommunikativen Handelns*, Frankfurt am Main: Suhrkamp Verlag
- Goul Andersen, Jørgen (1996), "Marginalisation, Citizenship and the Economy: The Capacities of the Universalist Welfare State in Denmark", in E.O.Eriksen & J. Loftager (eds.), *The Rationality of the Welfare State*, Oslo: Scandinavian University Press.
- Goul Andersen, Jørgen (2002), *Coping with Long-Term Unemployment: Economic Security, labour Market Integration and Well-being*, CCWS Working paper 2002-23, Aalborg University.
- Goul Andersen, Jørgen (2003), *Over-Danmark og under-Danmark? Ulighed, velfærdsstat og politisk medborgerskab*, Århus: Aarhus Universitetsforlag.
- Green-Pedersen, C., K.v. Kersbergen & A. Hemerijck (2001), "Neo-liberalism, the 'Third Way' or What?" Recent Social Democratic Welfare Policies I Denmark and the Netherlands", pp. 307-325 in *Journal of European Public Policy*, Vol. 8, No. 2.

- Hansen, H. (2001), *Arbejde, aktivering og arbejdsløshed*, Frederiksberg: Samfundslitteratur.
- Jespersen, S.P. & S.L. Rasmussen (1998), *Fra velfærdsstat til velfærdssamfund - en analyse af 90'ernes velfærdsdebat*, specialeopgave, Institut for Statskundskab, Aarhus Universitet.
- Jordan, Bill (1998), *The New Politics of Welfare*, London: Sage.
- King, Desmond (1995), *Actively Seeking Work? The Politics of Unemployment and Welfare Policy in the United States and Great Britain*, Chicago: University of Chicago Press.
- King, Desmond (1999), *In the name of Liberalism: Illiberal Social Policy in the United States and Britain*, Oxford: Oxford University Press.
- Lipset, Samuel (1959), *Political Man*, London: Mercury Books
- Loftager, Jørn (1996), "Citizens Income - A new Welfare State Strategy?", in E.O. Eriksen & J. Loftager (eds.), *The Rationality of the Welfare State*, Oslo: Scandinavian University Press, pp. 134-149.
- Loftager, Jørn (2001), "Émile Durkheim: Borgerrollen og det multikulturelle", pp. 111-128 i O. Korsgaard (red.), *Poetisk demokrati*, København: Gads Forlag.
- Loftager, Jørn 2002, "Aktivering som (ny) velfærdspolitisk tredjevej", *Politica*, årg. 2002, no. 3: 296-312.
- Loftager, Jørn (2004), *Politisk offentlighed og demokrati i Danmark*, Aarhus: AarhusUniversitetsforlag..
- Lund Clement, S. & J. Goul Andersen (1999), "Ny marginaliseringsundersøgelse af førtidspensionister mv.", pp.1-2 in *NYT*, No. 2, 1999, Institut for Økonomi, Politik og Forvaltning, Aalborg Universitet.
- Marshall, T.H. (1996), *Class, Citizenship and the State*, New York: Doubleday & Company.
- Mead, L.M. (1986), *Beyond Entitlement*, New York: The Free Press.
- Mead, L.M. (1997), "Welfare Employment" in L.M. Mead (ed.), *The New Paternalism*, New York: The Free Press.
- Mik-Meyer, N. (1999), *Kærlighed og opdragelse i socialaktiveringen*, København: Gyldendal.
- Nørgaard, A.S. (2000), "Party Politics and the Organization of the Danish Welfare State, 1890-1920: The Bourgeois Roots of the Modern Welfare State", pp. 183-215 in *Scandinavian Political Studies*, Vol. 23 - No. 3.
- Nørgaard, A.S (1999), „Viden og videnskab om velfærdsstaten: er der én dansk velfærdsstat?“, pp. 6-39, i *GRUS*, nr. 56/57, 20 årg. 1999.
- Nørskov Toke, K. (2002), *Paternalisme i dansk socialpolitik – autonomi eller moralisme?*, specialeopgave, Institut for Statskundskab, Aarhus Universitet.
- Nygaard Christoffersen, M. (1996), *Opvækst med arbejdsløshed*, København: Socialforskningsinstituttet, 96:14.
- Offe, C. (1984), *Contradictions of the Welfare State*, London: Hutchinson

Rose, Niclas, (1999), "Inventiveness in politics", pp. 467-493 in *Economy and Society*, Vol. 28, no. 3.

Socialministeriet (2000), *Socialpolitik som investering*, Socialpolitisk Redegørelse 2000, København: Socialministeriet.

Torring, Jakob (1999), "Workfare with Welfare: Recent Reforms of the Danish Welfare State", pp. 5-28 in *Journal of European Social Policy*, Vol. 9 (1).

Turner, Bryan S. (1993) (ed.), *Citizenship and Social Theory*, London: Sage.

Wolfe, Alan (1989), *Whose Keeper?*, Berkeley: University of California Press