

A CRITICAL EVALUATION OF  
THE THIRD WAY  
AND  
ITS REFLECTIONS ON TURKISH POLITICS

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DUYGU TÜRK

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Prof. Dr. Sencer Ayata  
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of  
Master of Science.

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Prof. Dr. Feride Acar  
Head of Department

This is to certify that we have read this thesis and that in our opinion it is fully  
adequate, in scope and quality, as a thesis for the degree of Master of Science.

---

Assist. Prof. Dr. Galip Yalman  
Supervisor

**Examining Committee Members**

Assist. Prof. Dr. Galip Yalman

---

Assist. Prof. Dr. Cem Deveci

---

Dr. Mustafa Şen

---

**I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.**

Name, Last name: DUYGU TÜRK

Signature :

## **ABSTRACT**

### **A CRITICAL EVALUATION OF THE THIRD WAY AND ITS REFLECTIONS ON TURKISH POLITICS**

Türk, Duygu

M. Sc., Department of Political Science and Public Administration

Supervisor: Assist. Prof. Dr. Galip Yalman

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This thesis aims to provide a critical evaluation of the Third Way and its reflections on Turkish politics. The Third Way emerged in the late 1990s with a claim to provide an alternative both to the old social democracy of welfare state period and to neo-liberalism. Based on a specific account of the radically changed world, the Third Way has maintained that the new conditions have rendered the old conceptualizations, as well as the old political positions, invalid. In this sense, this thesis argues that the re-definitions of the state and society relationship, the citizenship and the global order that the Third Way theory pursue have become the hegemonic notions of the current political context. It also claims that the Third Way can be considered as a product of the common attempts maintained by various approaches to complement the competitive market mechanism with social solidarity based on a socially inclusive strategy. The reflections of the Third Way on current Turkish political atmosphere are assessed in the thesis as further proofs of the hegemonic position that the Third Way occupies.

Keywords: The Third Way, Social Solidarity, Social Inclusion, The JDP, The RPP

## ÖZ

# ÜÇÜNCÜ YOL VE TÜRKİYE SİYASETİNE YANSIMALARI ÜZERİNE ELEŞTİREL BİR DEĞERLENDİRME

Türk, Duygu

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Tez Yöneticisi: Assist. Prof. Dr. Galip Yalman

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Bu tez, Üçüncü Yol ve Türkiye siyasetine yansımalarının eleştirel bir değerlendirmesini sunmayı amaçlamaktadır. Üçüncü Yol, 1990'lı yılların sonunda, refah devleti döneminin sosyal demokrasisine ve aynı zamanda neo-liberalizme bir alternatif sunma iddiası ile ortaya çıkmıştır. Radikal biçimde değişmiş olan dünya algısına dayanarak, Üçüncü Yol, ortaya çıkan yeni koşulların eski kavramsallaştırmaları ve eski siyasal konumları geçersiz kıldığı iddiasındadır. Bu tezin temel savlarından biri, Üçüncü Yol yaklaşımının devlet-toplum ilişkisi, yurttaşlık ve küresel düzen konularında ortaya koyduğu yeni tanımlamaların hegemonikleştiğidir. Buna ek olarak tez, Üçüncü Yol'un, farklı yaklaşımlarca da benimsenmiş olan, rekabetçi piyasa mekanizmasını toplumsal olarak içermeci bir stratejiye dayanan sosyal dayanışma modeliyle tamamlama çabasının ürünü olarak değerlendirilebileceğini savunmaktadır. Üçüncü Yol anlayışının Türkiye siyasetine olan yansımaları da bu anlayışın hegemonyasının bir göstergesi olarak değerlendirilmektedir.

Anahtar Kelimeler: Üçüncü Yol, Toplumsal Dayanışma, Toplumsal İçerme, AKP, CHP

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# CHAPTER 1

## INTRODUCTION

The search for a third way to be an alternative to the existing political positions, as well as the term “third way”, is much older than the specific “Third Way” politics of the 1990s that will be discussed in this thesis. In essence, throughout the 20<sup>th</sup> century, there have emerged diverse attempts aiming to generate an alternative to both capitalism and socialism, whether they have applied the term third way or not (Petras 2000: 19). Inspired by Eduard Bernstein’s “evolutionary socialism” thesis, as a third way between revolutionary socialism and capitalism, there have been various political lines shaped by a reaction against the Bolshevik Revolution in favour of reformism which is generally associated with the name Karl Kautsky. In the 1920s, the term third way was used by the Austrian Social Democratic Party led by Otto Bauer, as a synonym of “democratic socialism” (Yalman 1999: 64).

According to Petras (2000: 25), the post second world war period has witnessed a new version of third way thought which defended welfare state as the real alternative to both socialism and liberal capitalism. Also, Leggett (2004: 188) maintains that the social democracy of welfare state period can claim to be the “original third way”. Similarly, Grayson (1998: 7) states that “Keynesian social democracy was a type of third way” between state socialism of left and “minimal state” of the right. On the other hand, by the demise of welfare state and the dissolution of Soviet Union, once again the search for an alternative, that is, a new third way, has been revitalised.

For Petras, during the welfare period there have also been various attempts in the third world countries to create their own way between Soviet communism and Western capitalism, as in the case of the “non-aligned movement” led by the “nationalist-populist political leaders” of the third world countries. Moreover, according to him, by the 1980s the rise of Islamic movements and regimes, the opposition of world wide NGOs to both neo-liberalism and statism and also ecological movements that are in favour of a new model of social life can also be considered as the new attempts to engender a third way (Petras 2000: 27-28). Therefore, various social actors and movements have maintained the search for a “third way” in different conjunctures and with different aspirations.

Yet, the current popularity of the term “third way” has been achieved by the late 1990s by the declaration of the leader of British Labour Party that “The ‘Third Way’ is to my mind the best label for the new politics” (Blair [1998] 2003: 28) and with the publication of Anthony Giddens’ books defending a project called as the *Third Way*. Here, the new politics was referring to the ideal political line for a progressive centre-left that would be achieved by the modernisation of social democracy while the Third Way was symbolising the aspiration of going beyond to the both “Old Left” and “New Right”. With the aim of generating a new and modernised political line, the Labour Party labelled itself as “New Labour” defined in contrast to the “Old Labour” (Shaw 1996: 206) and the leader of the party, Tony Blair, announced that they have put the Third Way into practice when the “New Labour” took power in 1997 by an electoral triumph (Powell 1999: 285). Indeed, a similar attempt had been realised a little earlier in the United States by the Democrat Party led by Bill Clinton and the advocates of the Third Way would generally refer to the “New Progressive Declaration” published in 1996 by the American Democrats as the origin of the Third Way thought (Giddens 2000a: 2). On the other hand, the critics have generally pointed out some older theoretical roots of the Third Way, as well as some political attempts such as the “glasnost and perestroika” movement led by Gorbachev in Soviet Union (Ash cited in Newman and de Zoysa 2001: 107).

Besides publishing the pamphlet “The Third Way: New Politics for New Century” in 1998, Blair has also been the co-author of the “Europe: The Third Way / Die Neue Mitte” with Gerhard Schröder, the leader of German Social Democratic Party, in 1999. These two leaders were declaring that although different social democratic groups had chosen different labels, such as the phrase of “New Centre” in Germany, they had gone into a process of transformation in which “the motivation is the same” (Blair and Schröder [1999] 2003: 110). Beside various dynamics, it is true that such a process of “modernising programmes” have contributed to the general electoral success of social democratic parties after a relatively long period of the new right governments. In 1999, four leaders, Clinton, Blair, Schröder and the Italian Prime Minister Massimo d’Alema met and declared their confidence in the Third Way principles (Newman and de Zoysa 2001: 108). In 2001, Anthony Giddens, the chief theoritician of the Third Way, declared that the left-of-centre governments in New Zealand, South Korea, Taiwan, Brazil, Argentina and Chile had also begun to adopt the Third Way programme<sup>1</sup>.

Therefore, the Third Way, whether used as a label or not, has been the theoretical source from which social democratic parties have inspired while reforming themselves, although the British experience has in general stayed at the core of the debate. In this sense, the re-birth of the Third Way in the 1990s, both as a theoretical and a political project, has resulted in that the advocates as well as the opponents have formulated their evaluations upon its two-fold experience. Not surprisingly, the criticisms mainly focused on the “New” Labour Governments

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<sup>1</sup> Giddens (2001: 5) claims that although there can be multiple versions of the Third Way, there exists some key points defining the “structural reform” at the heart of the Third Way programme: reforming state to make it more active, transparent and customer-oriented; achieving a dynamic, competitive market economy with flexible labour markets; promoting civil society; linking rights and responsibilities; reducing taxes and reforming welfare state; combating crime; concerning ecological problems; and, hence, establishing the framework of “responsible capitalism”. Giddens also asserts that the Third Way programme is not valid only in the industrialised countries, but also necessary for the developing (and under-developed) countries to make them adapt to the newly emerging conditions of globalising era.

under the leadership of Blair who declared that they would follow the Third Way, that is, the “new politics for the new century”.

However, this dramatic turning of the social democratic parties to the Third Way has been accompanied with a sharp decline in electoral success<sup>2</sup>. Although Giddens (2003: 5) evaluates it as not the failure of the Third Way, but of governments or political parties that could not embrace the Third Way properly, electoral failure has given rise to questions about the validity of the Third Way. Nevertheless, it is also evident that, as Martell (2004: 4) notes, the concepts and proposals of the Third Way have been able to create a political agenda whether the social democrats hold government or not. In this sense, this thesis attempts to focus on the *theoretical components* of this political agenda, rather than to analyse the governmental experiences of the various political actors pursuing the policy proposals of the Third Way.

Despite its effectiveness, the Third Way idea is highly criticised for its lack of coherence and well-defined ideas. It is argued that what is underlying the Third Way's expansion in the political arena is its pragmatist essence, which makes it applicable to all situations. In other words, according to critics the Third Way principles are so *flexible* and lack originality that various political agents can easily adapt them. In this sense, while the advocates claim that the Third Way is the only formula to deal with the problematic sides of both the new right and social democracy, the critics point out that this formula actually says nothing new or original. In this respect, the Third Way has been criticised for failing to provide a meaningful theory while attempting to involve “the all” (Newman and de Zoysa 2001: 213-4) or for suffering from an ambiguity which signifies its “lack of seriousness” as a political project (Hall 1999: 148). Yet, those features pointed out by the critics can also be interpreted as the signals of an *important turn* in definition of politics. In this thesis, it is argued that the Third Way can be

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<sup>2</sup> By the late 1990s, “while thirteen out of fifteen European Union (EU) countries were ruled by centre left parties or coalitions” alongside the New Democrats in United States (US), whereas “as of 2003, only some six countries in the EU are now governed from the left of centre” in addition to the Republican's victory in US (Giddens 2003: 4).

considered as an attempt to re-conceptualise the politics mainly based on the idea that the “old oppositions” can and should be reconciled. In this sense, as it is implied in the Third Way texts, politics becomes an arena for reconciliation where all sections of the society, as well as political groups, are assumed to compromise on the “necessary” resolutions that the Third Way claims to embody.

The core idea underlying the Third Way thought is the claim that “the world has radically changed”. Based on the specific perception of the changed conditions, the Third Way argues that old political positions have become invalid and maintains a critique of both welfare state practices and neo-liberal policies. Thus, the Third Way presents itself as an alternative project to neo-liberalism, as well as to old social democratic vision of welfare state period, through providing “redefinitions” for the relationship between state and society, for the notion of citizenship and for the global order. In other words, the Third Way project, as its theoreticians argue, is a comprehensive model which redefines the roles of the state and its relationship to the society, attributes new rights and responsibilities to the citizens in the society and offers a new global order, that is, cosmopolitanism. It attempts to deal with the changing structure of the social units and produces new concepts as well as principles for the way of re-organising them. In the Third Way theory, the whole model and its constituents are presented both as obligatory features that the new conditions entail and also as opportunities that the individuals can benefit from. Therefore, it can be well argued that the Third Way constructs itself as a *hegemonic attempt* to redefine "reality" and to defend a political position based on this specific perception of reality.

On the other hand, it is crucial to grasp that the Third Way is a product of a common intellectual and political atmosphere which searches for the ways to cope with neo-liberal disillusion and as a result, it shares its main presumptions and proposals with –or borrows from- some other theoretical positions and political stances. In this sense, this thesis argues that it is more meaningful to locate the Third Way in the general political atmosphere of the late 1990s that is mainly characterised with the search for “social solidarity” diminished by neo-liberalism. As it will be discussed in the following chapters, the Third Way shares the basic

proposals of the current settlement on the new policy agenda, i.e. the so-called post-Washington Consensus, embodied by the key institutional mechanisms acting at transnational level. The chief concern of the Third Way, as well as the post-Washington Consensus can be considered as seeking for social solidarity based on the competitive market. This aspiration is accompanied with the desire of leftist and social democratic parties to become *electable* again, after relatively long period of New Right governments. While seeking for the social solidarity and attempting to revive the social democratic movement within the “new conditions” of the age, the Third Way theory applies some “old” remedies such as community-based social cohesion that Communitarian understanding suggests. Moreover, the underlying idea that the market mechanism should be combined with the moral framework to generate social solidarity is also inspired from earlier theoretical positions such as New Liberalism, Ordo-Liberalism and stakeholder capitalism. The Third Way also articulates some “left” values such as democratisation and participation. Considering these points, this thesis does not attribute a genuine peculiarity to the Third Way, although the advocates insist on its radically new and original character, and prefers to draw attention to the parallelism between the Third Way and those various positions. Yet, in this respect, the thing that renders the Third Way essential is its success in achieving to generate a *political programme* of those common views under one ‘label’, to make them a common vision for politics and thus, to provide an essential contribution to their dissemination and consolidation. It is one of the main suggestions of this thesis that the Third Way can be assessed as a theoretical and political position which is crucial in the sense of its contribution to the *hegemonisation* of some key perceptions such as the specific regard of the new conditions of the “radically changed world”, the complementarity of state, market and civil society, the new understanding of citizenship and depending on these features, the reconciliatory politics at local, national and global levels.

In this respect, the Third Way constructs a new line for the left and social democratic political positions or parties, with the claim of being the only way for the “renewal of social democracy”. Whether the social democracy has been

revived or not, the Third Way has gained a common base between political parties relied on social democratic or, in general, left tradition by the late 1990s. Its main arguments have been voiced by the international (or transnational) organisations, or vice versa, and this has given rise to the expressions such as “the social democratisation of globalisation” (Panitch 1998). Indeed, the Third Way arguments have also been appreciated by the right-wing politics. In this sense, while the 'victory of neo-liberalism' in the 1980s was considered as the “end of social democratic century” (Dahrendorf quoted by Overbeek and van der Pijl 1993: 18), the 1990s have been interpreted as the years of the social democracy that is for sure to have a totally new content compared to the social democracy of welfare state period. That is to say, the Third Way has been an effective project both in the theoretical and political senses. Then, the explanations of the transformation in Western societies, as well as policy proposals to manage the change, have become a road map for many political parties and movements in the developing or under-developed countries. It is another main argument of this thesis that Turkey provides an appropriate example for evaluating the hegemonic position of the Third Way understanding, considering the adoption of the Third Way arguments by the prominent political parties of the current Turkish politics, namely the Justice and Development Party and the Republican People’s Party that have different, in some senses opposite, political backgrounds.

Based on this framework, the thesis is composed of five chapters. Following the introduction the second chapter explains the theoretical premises of the Third Way with its claims about the radically changed world and the re-conceptualisations appropriate to the newly emerged conditions. The critical evaluations of the key concerns, as well as the theoretical antecedents, of the Third Way thought are discussed in the third chapter. The fourth chapter attempts to provide an evaluation of the reflections of the Third Way on Turkish politics, with a claim that Turkish case contributes, in turn, to the endeavour of assessing the Third Way politics, through displaying that it is not necessary to be social democratic for a political movement to embody the Third Way principles.

## CHAPTER II

### THE THIRD WAY THEORY

Although there are various theorists who have contributed to the debate, as Grayson (1998: 9) points out “none of them are as closely associated with the Third Way as Anthony Giddens”. Thus, it can be well said that the main texts in which the theory and principles of the Third Way have been outlined are “*Third Way: The Renewal of Social Democracy*” (1998) and “*Third Way and its Critics*” (2000) by Anthony Giddens, and two short pamphlets by Tony Blair and Tony Blair and Gerhard Schröder as well as other contributions to the debate.

It can be argued that the proposals of the Third Way project are mainly constructed upon the specific perception of “radically changed world”. In this sense, the theoretical premises underlying the Third Way thought can be found in this specific perception of the change that is outlined in the earlier texts written by Giddens, such as “*Beyond Left and Right*” (1994). In essence, the very core of the Third Way and its insistence on presenting itself as totally new is directly related with the arguments on the new characteristics of the “radically changed world”. The so-called ‘great transformation’ that the modern societies are supposed to be going under is thought to have generated such new circumstances that the old arguments of both Right and Left have become invalid. As Blair and Schröder ([1999] 2003: 112) denote, “new conditions and new realities call for a re-evaluation of old ideas and the development of new concepts”. Similar to that, according to Giddens, while undermining the old political and philosophical positions the ‘radically new world order’ also creates the opportunity of, as well as the necessity for, a new understanding of *radical politics*. In this sense, the



proposed features of the radical politics can be considered as the origin of the Third Way proposals.

In this chapter, the Third Way theory will be elaborated in the following sequence: the features and dynamics of the change, the components of the radical politics and the Third Way principles.

### **2.1. The World Radically Changed: Theoretical Premises of the Third Way**

In the Third Way theory, the main dynamics that have brought about “new conditions and new realities” are considered as the intensification of globalisation, the emergence of a post-traditional order and the expansion of social reflexivity<sup>3</sup>. All of them are closely related to each other and counted as the underlying dynamics of the "manufactured uncertainty" that shapes our lives in today's world (Giddens 1994a: 22).

*Globalisation* takes a priority over other dynamics which are mainly considered as the consequences of globalisation. Giddens (1995: 4) holds that the term goes beyond indicating an economic dynamic or a new world system at global level and is directly related to the every day life experiences of individuals. In other words, this phenomenon signifies a profound change in social, cultural and political domains, rather than being just an economic trend (Giddens 1998a: 119; 2000b: 49). Due to the development of global communication and mass transportation, the individual activities have become more open to the effects of events taking in any place on the world (Giddens 1994a: 22). Thus, Giddens tends

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<sup>3</sup> Blair ([1998] 2003: 32) counts the growth of global markets and global culture, advances in technology and rise of new industries based on skill and information, changing role of women and radically changed nature of politics as the main features of the transformations in today's world. While some (Froud et al. 1999: 157) suggest that there exist differences between Giddens' and Blair's vision of transformation, some others (Newman and de Zoysa 2001: 99) argue against by considering those two accounts as in coincidence.

to relate globalisation with the "transformations of space and time"<sup>4</sup> (ibid)<sup>5</sup>. The other feature which is partly result of globalisation and active social movements is the emergence of *post-traditional order* which denotes the change in the status of traditions (Giddens 1994a: 23). Traditions cannot be free from questioning and debating; they have to be something that is "decided about". That is to say, Giddens asserts that the traditions can only be defended by some justifications that entail a status opening to debate. This point is closely related with the issue of gender and the relationships within the family. Thus, the concept does not refer to the dissolution of the traditions or traditional social units, but to the disappearance of their "taken-for-granted" status. Later on, the idea is developed under the Third Way proposals in detail as an issue of the necessity of the democratisation of the social units, especially the family.

Giddens takes attention to the fact that there is a danger in insisting on the traditional forms of traditions rather than being aware of the need for dialogue upon their content in the sense of the rise of fundamentalism.

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<sup>4</sup> It is noteworthy that Harvey, too, associates globalisation with the current changes in the perceptions of the time and space as his term "time-space compression" denotes. However, for Harvey, time-space compression, in essence, refers to the new stage of capitalist dynamic of "annihilation of space by time" which is the internal incentive of capital accumulation based on the acceleration of capital turnover time and thus, profit maximisation (ibid: 327). Such changes in perceiving time and space also indicate the shifts in cultural and political concerns which embodied in "post-modernism" as the cultural form of post-Fordist flexible accumulation in today's transformation process. In this sense, for Harvey, globalisation is related with the "transformations of space and time" promoted by the new communications and transportation technologies, just as for Giddens, but Harvey considers the process through the capital accumulation process and capital movements that increasingly becomes sensitive to the local differences. Based on this account, Harvey draws attention to the "paradox" that as the space is annihilated by time, the importance of differences among the spaces increases and the power of capital to re-shape these localities in line with more profitable features enlarges owing to the competition among the localities to attract capital (ibid: 330; 362). On the contrary, Giddens' account locates globalisation into, in a sense, neutral place and concentrates on the increased interdependency among different parts of the world.

<sup>5</sup> The underlying features of globalisation are diversified in the later works. Besides the "world-wide communications revolution", Giddens counts the rise of "new knowledge economy" based on the expansion of financial markets and the fall of Soviet communism referring a "post-1989 world order" (2000b: 1-2).

What is fundamentalism? It is, I shall argue, nothing other than *tradition defended in the traditional way* --but where that mode of defence has become widely called into question. The point about traditions is that you do not really have to justify them: they contain their own truth, a ritual truth, asserted as correct by the believer. In a globally cosmopolitan order, however, such a defence becomes dangerous, because essentially it is a refusal of dialogue (Giddens 1994a: 23).

It can be said that the last feature of the transformed world, the expansion of *social reflexivity* is, in a sense, a counter dynamic of the fundamentalism. The concept refers to the expansion of the autonomy that the individuals have while taking decisions in their lives. Considering with the post-traditional order, expansion of social reflexivity also denotes an increase in subjects and areas that individuals take decisions on. The more reflexive society composed of reflexive individuals entails the transformation of old ways of organising social life in various aspects. For instance, Giddens draws a parallelism between the post-Fordist flexible type of production and rise of reflexivity in the society in the sense that the new organisation of work makes a bottom-up decision making possible. Thus, post-Fordism brings a greater autonomy and flexibility to the labour which has become possible through the high social reflexivity. Similarly, the social reflexivity undermines old type of bureaucratic organisations (Giddens 1994a: 25). In this respect, the expansion of social solidarity entails an obligatory change in the relationship between state and its citizens in the sense that "the states can no longer so readily treat their citizens as 'subjects'" (Giddens 1994a: 25).

All those features, from Giddens' point of view, initiate a "dislocation between knowledge and control" which creates a tension for Enlightenment idea of controlling the reality through the knowledge of human being. Today's world signifies a different reality than what has been supposed by the Enlightenment tradition, although the human knowledge has really continuously enlarged just as Enlightenment thinkers have desired:

The world in which we live today is not one subject to tight human control --the stuff of the ambitions of the Left and, one could say, the nightmares of the Right. Almost to the contrary, it

is one of dislocation and uncertainty, a 'run-away world'. And, disturbingly, what was supposed to create greater and greater certainty --the advance of human knowledge and intervention-- is actually deeply involved with this unpredictability (Giddens 1994a: 21).

Therefore, as far as the knowledge of human being increases and the control over nature and society enlarges, what is obtained is not the certainty but unpredictability. Giddens gives the example of global warming which denotes a new risk for human life while at the same time its existence is questionable (Giddens 1994a: 21). This is what Giddens calls as “*manufactured uncertainty*” and manufactured risk, different from external risks which are calculable, as a direct result of human actions and expanding knowledge<sup>6</sup>.

Manufactured risk is a result of human intervention into nature and into the conditions of social life. The uncertainties (and opportunities) it creates are largely new. They cannot be dealt with by age-old remedies; but neither do they respond to the Enlightenment prescription: more knowledge, more control (Giddens 1994a: 22).

Hence, in a globalising world, any attempt to develop control on such an unpredictable life as old type of politics tries to do is not realistic. Rather than such a useless effort for supervision of the new conditions of a run-away world, people should benefit from the expansion of their autonomy (Giddens 1995: 5).

Since the new "run-away world" makes the old remedies invalid and since it brings new opportunities besides the risks, today we can and should talk about a new understanding of politics. This idea is the core of the critique of traditional

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<sup>6</sup> That is what Ulrich Beck calls as “risk society” underlying idea of his book with the same title published in 1995. It should be highlighted that Beck and Giddens have simultaneously developed the theoretical claims on “risk” as well as the term such as external risk, manufactured uncertainty, reflexive modernity etc. Both define the (manufactured) risk society in terms of “end of nature” that refers to expanding human intervention to nature and “end of tradition” that signifies the taken-for-granted essence of traditional certainties and that entails more decisions and choices to have (Beck 1998a: 10; Giddens 1998b: 26). The similarity between the theses of Beck and Giddens is also evident in their policy proposals based on some parallel presumptions about the nature of radical changes, although there also exist noteworthy differences.

political lines as well as the features of the new radical politics that constitutes the essence of Third Way principles.

## **2.2. Neither New Right Nor Old Left: An Outline for Radical Politics**

The Third Way theory constitutes itself upon the arguments that both the "old social democracy" of welfare state period and the New Right philosophy underlining the neo-liberal policies have become invalid in today's world. The radically changed world of 1990s necessitates a new understanding of politics which is claimed to be produced by the Third Way view.

### **2.2.1. The Contradictions of New Right**

The Third Way's critique of neo-liberal model of state and market relationship is constructed upon the New Right argument that the market should be free from the any intervention of the state in order to function in its "natural harmony" and generate its benefits. The Third Way criticises such an idea by denoting that "the markets are not self-regulating" (Giddens 2000a: 36). On the other hand, for the Third Way the market mechanism has no better alternative given its productivity and dynamism owing to the competitiveness and entrepreneurial energy. As Giddens argues:

A successful market economy generates far greater prosperity than any rival system. In effect, there is no rival system in place any longer, save in the residues of post-communist economies. (...) Combined with entrepreneurial energy, a market economy is vastly more dynamic than any other type of economic system (Giddens 2000a: 35-36).

Fukuyama's *End of the History and the Last Man* was essentially correct. At least for the present time, no one can see any effective alternatives to the combination of a market economy and a democratic political system --even though each of these has great deficiencies and limitations (Giddens 2000b: 11).

Moreover, the market enables the consumers to make free choices which results in a continuous re-shaping of the market in favour of the consumers' needs and tendencies. Such a reciprocal interaction between the consumers and the producers within the market gives rise to another point of superiority of the market mechanism over other systems: "the liberating potential of markets" (Giddens 2000a: 35).

Yet, the markets also produce some problems that cannot be resolved by market itself. According to Giddens, the social miseries, such as unemployment, or the need of strengthening human and social capital that markets cannot provide are the main problems whose solutions go beyond the capabilities of the market mechanism. Furthermore, given the tendency towards monopolisation among the market forces, competitiveness should be promoted through non-market mechanisms in order for enabling market to realise its potentials. In other words, both for managing the failures of and also for fulfilling the requirements of the market mechanism there is a need for a "collaborative intervention"<sup>7</sup> (Giddens 2000a: 37).

As far as the neo-liberal paradigm ignores such a necessity for the regulation of the market, the Third Way argues, it falls into a "market fundamentalism". Moreover, neo-liberalism suffers from a basic contradiction. It is extremely devoted to the market mechanism and this undermines the social units, i.e. families and communities, which are the necessary social bases for market. Neo-liberal political line constructs itself upon the protection of traditional structures in rhetoric while in practice it gives rise to the dissolution of those traditional social units. This is why Giddens asserts that the idea free market is self-contradictory:

Devotion to the free market on the one hand, and to the traditional family and nation on the other, is self-contradictory. Individualism and choice are supposed to stop abruptly at the boundaries of the family and national identity, where tradition must stand intact. But nothing is more dissolving of tradition than the 'permanent

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<sup>7</sup> Considering the theory of the Third Way as a whole, such collaborative intervention must be referring to the dialogue and interaction among the actors of civil society, state and market.

revolution' of market forces. The dynamism of market societies undermines traditional structures of authority and fractures local communities; neoliberalism creates new risks and uncertainties which it asks citizens simply to ignore. Moreover, it neglects the social basis of markets themselves, which depend upon the very communal forms that market fundamentalism indifferently casts to the winds (Giddens 1998a: 15).

Accordingly, neo-liberalism, or what is understood as the 'Right' today (Giddens 1994a: 26), suffers from a fundamentalism (i.e. "defending traditions in the traditional way") in the sense of its devotion to the market as well as to the traditions which creates a *contradictory tension* between its rhetoric and practices. In other words, while neo-liberalism applies some traditional notions such as family, religion etc. to its rhetoric, those notions are undermined through the neo-liberal policies shaped by the market fundamentalism:

On the one hand neo-liberalism is hostile to tradition --and is indeed one of the main forces sweeping away tradition everywhere, as a result of the promotion of market forces and an aggressive individualism. On the other, it *depends upon* the persistence of tradition for its legitimacy and its attachment to conservatism --in the areas of the nation, religion, gender and the family. (...) The wholesale expansion of a market society, however, is a prime force promoting those very disintegrative forces affecting family life which neo-liberalism, wearing its fundamentalist hat, diagnoses and so vigorously opposes. This is an unstable mix indeed (Gray, 1993) (Giddens 1994a: 26).

According to Blair, the awareness of such a tension that neo-liberalism has undermined the social cohesion gives rise, in a sense, the end of neo-liberalism beginning from the mid-1990s. It is noteworthy that what Blair counts as the failure of neo-liberalism composes the main targets in the formulation of the Third Way principles, in the case of Britain. He claims that:

By the mid-Nineties, the wheel had turned again --not back to a statist social democratic model, but towards a realisation that the dogmatism of the neo-liberal Right had become a serious threat to national cohesion. Too many people were losing out; too many companies were under-performing; too many public services were failing through inattention; and too many communities were endangered by the rise of crime, unemployment and social exclusion (Blair [1998] 2003: 32).

While neo-liberalism fails due to its essential contradiction between its rhetoric and practice, the liberal democratic order based on capitalism suffers from the difficulties to adapt itself to the new circumstances, too. The environmental limits put constraints to the capitalist development and as a consequence of globalisation, the liberal democratic system at national base is hardly able to cope with the demands of the citizens. Moreover, expansion of social reflexivity designates the insufficiency of the participatory mechanisms of a liberal parliamentary system which is mainly based upon the voting behaviour in elections (Giddens 1994a: 27). Therefore, neither liberal democratic order nor neo-liberalism could respond to the need of deepening democracy or democratising of democracy that are counted among the targets of the Third Way.

### **2.2.2. Obsolescence of Old Social Democracy**

Third Way claims that the old social democratic line is equally far from responding the needs of modern societies where socialism has already bankrupted. The socialist model, according to Giddens, depended on "a cybernetic model of social life" that assumes the ability as well as desirability of a directive intelligence. This directive centre is occupied by the state. However, the idea underlying the socialist model that controlling whole system from one centre is totally outdated given the manufactured uncertainties and the expansion of social reflexivity (Giddens 1994a: 25). Beside that socialism also failed in its economic presumptions which ignore the market dynamism in the sense of wealth creation as well as the informative supremacy of the market that has been consolidated by the communications revolution in the 1970s (Giddens 1998a: 5).

Similarly, considering that the traditional social democratic view holds a hesitation to the market mechanism, not only it loses to benefit from the dynamism and productivity that competitive market mechanism generates but also it fails to grasp the conditions of the post-1989 world. In this sense, markets are both undeniable since "there is no known alternative to the market economy any longer" and also desirable given that "market competition generates gains that no



other system ca match” (Giddens 2000a: 164). Thus, the social democracy has to leave its "old" hesitation to the markets and has to modernise itself. In this respect, the market-friendly approach to be obtained is a pre-requisite of modernising the social democracy. According to Giddens, unless the left gets comfortable with the market, it becomes archaic in today’s conditions:

(...) the left is defined by its concern with the dangers of market, whose excesses need constantly to be reined back by the state. Today, however, this idea has become archaic. The left has to get comfortable with markets, with the role of business in the creation of wealth, and the fact that private capital is essential for social investment (Giddens 2000a: 34).

Furthermore, the necessity for modernisation of social democracy is also rooted in the fact that traditional social democracy has been shaped within the Keynesian national economies and the social structure of welfare state period, both of which have lost their validity. According to Giddens, the characteristics of Keynesian welfare state period, which are the domestic economy strictly limited with the boundaries of the nation-state, the homogeneous labour market and dominance of mass production, a family structure formed by a sexist division of labour and an elitist, bureaucratic state exercising an expansive control over the society (1998a: 16) have already become outdated in today's world (2000a: 103-104). The new world necessitates new concepts and understandings that ensure the modernisation of social democratic view in order to make it revived. The social democrats, Giddens argues, have to admit that the social welfare state of Keynesian period has created problems besides creating benefits for the society.

The criticism of welfare state model in the Third Way texts can be summarised as involving the anti-democratic practices, failing to be efficient, putting limitations over individual freedoms, creating a "dependency culture" and being based on an obsolete vision of social units and structures together with being inflexible to adapt today’s world.

According to Giddens, a top-down mechanism of distributing benefits denotes the anti-democratic character of the welfare state (1998a: 112) besides creating a social division between the social groups who benefit from the state transfers and

those who do not (2000a: 104). The bureaucratic welfare state mechanisms generate elitist state officials alienated from the society. The same mechanisms of control over the society violate the individual freedoms while at the same time create a “dependency culture” within the society. In this respect, welfare state practices give rise to the moral hazard due to that people begin to expect social supports from the state and seek for permanence of such resource allocation rather than becoming active members of labour market or creating their own solutions to their problems (1998a: 115). Finally, the huge public debts owing to those welfare expenditures themselves destructed the ground of sustainability of those services. The result is not generating but undermining social solidarity (2000a: 103).

Similarly, Blair underlines that the welfare state policies achieved in the atmosphere of the post-Second World War period, are not able to fit with today’s conditions, just like they could not in the late 1970s. In this respect, the policies of post-war era were achieved under the conditions of “secure jobs, large firms, low unemployment, relatively closed national economies and strong communities underpinned by stable families” (Blair [1998] 2003: 31). However, as the circumstances have changed, the social democratic position has become discordant. As he claims:

(...) demand management and very high levels of state ownership and direction became increasingly ineffective at promoting growth and containing unemployment in a world of growing competition, external shocks and industrial and technological change. Social democracy proved too inflexible in response (Blair [1998] 2003: 31).

More importantly, the welfare state is evaluated as a "class compromise" the constituents of which have changed dramatically (Giddens 1994a: 35). Both of the changes in values that have altered the connection to the class identities (Giddens 1998a: 21) and also the technological innovations that have transformed the organisation of work formerly depended on manual labour (Giddens 2000b: 22) denote a radical break with the old style political belongings following the profound changes in social structure (Giddens 1998a: 20). The new social structure is now too individualised to be grasped on class terms. In other words,

according to Giddens (2000b: 22), "Marx thought that the working class would bury capitalism, but as it has turned out, capitalism has buried working class".

Therefore, in order for the renewal of social democracy, a new radical political programme has to abandon any class-based connections which no longer provide a stable voter support. Yet, on the other hand, while the old base of class-compromise is dissolved, there also emerge new possibilities to develop consensus at local, national and global levels (Giddens 1998a: 23). That is to say, the lost of class support, because the class identity itself has diminished, should be seen as an opportunity to build a new radical politics upon a larger social base.

### **2.2.3. An Outline for Radical Politics**

The criticism of traditional political lines or positions goes hand in hand with the underlying need of a new radical politics as a response to the radical changes that modern societies have been faced with. The features of the radical politics that Giddens proposes can be considered as the basis of the Third Way principles, although the term third way would be applied later on. Moreover, the principles of the Third Way would be expansively elaborated and justified through those features defining radical politics.

It can be asserted that the general framework of radical politics is shaped through the search for a new base for *social solidarity*. In this sense, since the neo-liberal policies have profoundly damaged the former basis of solidarity and since the welfare state practices in favour of it can not be maintained any more, the radical politics should create new bearers of social solidarity considering the new conditions of world. Here, again the social reflexivity gains a primary concern for the sake of repairing damaged solidarities:

Neo-liberalism places great stress upon the importance of individualism, contrasting this to the discredited 'collectivism' of socialist theory. By 'individualism', however, neo-liberals understand the self-seeking, profit-maximising behaviour of the marketplace. This is a mistaken way, in my view, of interpreting

what should more appropriately be conceived of as the expansion of social reflexivity (Giddens 1994a: 29).

Then, the concept of social reflexivity gains a new dimension in addition to referring the expansion of the issues about which individuals take decisions that brings more autonomy in their lives. An individual with high reflexivity is the one who is aware of the interdependency within the society as well as his/her autonomy. Indeed, for Giddens, social reflexivity can only be considered through such a reciprocal relationship between autonomy and interdependence which entails a consciousness of responsibilities of individuals, as well as of social units, besides their rights. This is the core idea of the radical politics, as well as the Third Way project, at issue of rising social solidarity.

The issue of reconstructing social solidarities should therefore not be seen as one of protecting social cohesion around the edges of an egoistic marketplace. It should be understood as one of *reconciling autonomy and interdependence* in the various spheres of social life, including the economic domain (Giddens 1994a: 29).

Another essential term for social solidarity is the *active trust* that is a necessary element for cohesiveness within the society considering the demise of pre-given values in post-traditional life. It denotes an active construction of trust within the society and by-definition involves both individual autonomy and responsibility to others, thus provides an important source of social solidarity (Giddens 1994a: 30).

It is noteworthy that the Giddens' texts that outline the radical politics involve a much hesitated approach to the term "civil society" and prefer to focus on the individual, with a new definition of individual freedom, as autonomy together with responsibility, and on family with a stress over the democratic values that family life should embrace. In other words, Giddens attributes the role of generating social solidarity to the individual and family in the framework of radical politics whereas he emphasises the essential roles of community and civil society in the Third Way texts. Yet, the role of the community and civil society in the Third Way theory is very much parallel, if not the same, with the ones that he formerly attributes to the individual and family. In the Third Way texts, the stress

on the individual in generating social solidarity is redefined through the “active citizen”, while the organisations within civil society, such as small groups, self-help groups and voluntary work, shares the chief role with the democratised family.

Another dimension of radical politics is what Giddens calls as *life politics*. It is a term internally related with the social reflexivity in the sense of concerning issues of self-actualisation within a post-traditional, globalising world through a high reflexivity (Giddens 1991: 214). Life politics is both involves and goes beyond the emancipatory politics which is defined as emancipating from the fixities of tradition and religion through attributing a driving force to one agency --class, national or ethnic group, women or any other subordinate group-- and aiming to eliminate exploitation, inequality or oppression (Giddens 1991: 211). Although the emancipatory demands have not lost their vitality, there exist new dynamics that entail the life politics (Giddens 1991: 226). As he defines:

Life politics does not primarily concern the conditions which liberate us in order to make choices: it is a politics *of* choice. While emancipatory politics is a politics of life chances, life politics is a politics of lifestyle. Life politics is the politics of a reflexively mobilised order --the system of late modernity-- which, on an individual and collective level, has radically altered the existential parameters of social activity. It is a politics of self-actualisation in a reflexively ordered environment, where that reflexivity links self and body to systems of global scope (Giddens 1991: 214).

"The system of late modernity" refers to *globalisation of modernity*<sup>8</sup>, in Giddens' terminology (1995: 10). It is the form that modernity gains in globalisation age, rather than evolving to a *post*-modern order. In this respect, one of the criticisms Giddens (1991: 215-224) directed to the post-modernism can be seen in the definition of life politics, such that life politics is related with the ethical question of "how should we live in a post-traditional order?" which denotes the "call(ing)

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<sup>8</sup> Similarly, Beck (1998a: 20) applies the term “radicalised modernity” signifying a stage of modernity of which very foundations are being undermined by globalisation, individualisation and risk. For Beck, this denotes that “modernity gets *reflexive* that means concerned with its unintended consequences, risks and foundations”.

for a re-moralising of social life". Accordingly, the need for re-moralisation, and the necessary debates upon the ways of realising it, signifies the invalidity of the post-modern claim that moral questions have lost their relevance in current world (1991: 224).

It should be noted that the features of life politics in Giddens' later works are much more associated with the possibilities that autonomy and flexibility generate, while in his earlier works he mentions a connotation of term as dealing with major problems that capitalist order gives birth. In this sense, in the Third Way texts Giddens depends his assumptions on the idea that changes in the modern life are to be reflected as "opportunities" in individual lives. Such gradual change in Giddens' account is also evident in his consideration of class-based character of capitalist societies:

In late modernity, access to means of self-actualisation becomes itself one of the dominant focuses of class division and the distribution on inequalities more generally. Capitalism, one of the great driving forces in the expansion of modernity, is *a class system which tends to generate major material inequalities* --on a global scale as well as within the economically developed societies. The emancipatory struggles which have helped moderate the polarising effects of 'unfettered' capitalist markets are hence directly relevant to the pursuit of life-political endeavours (Giddens 1991: 228 –emphasis added).

Later on this emphasis on the class-based character of capitalism is replaced with the idea of "changing class structure" (1994a: 31) and then it is asserted that "class becomes individualised" (1994b: 143) which underlies one of the core principles of the Third Way, that is, the end of class-based politics. In this sense, while he claims to have articulated some forms of the emancipatory politics, such as feminism and ecological movements, to the Third Way principles, he omits class-based politics from agenda. In this respect, the dissolution of the strict class positions, as well as class identity, is evaluated in relation with the more 'flexible' lives that do not realise class identity as fate. In coincidence with that, while keeping the idea that capitalist markets necessitate regulation, the "major material inequalities" that capitalism generates are considered as inescapable. That is to say, both one of the main features of the Third Way proposal for the modernising

the social democracy, that is, the invalidity of class-based politics and also one of the essential characteristics of the Third Way principles, that is, conceptualising the changed conditions as new opportunities for individuals can be followed back to Giddens' account of radical politics.

Furthermore, another core idea underlying the Third Way can be seen in the term "*generative politics*" as a feature of radical politics. It denotes, in a sense, the necessary response of the state to the high reflexivity in society.

Generative politics exists in the space that links the state to reflexive mobilisation in the society at large. (...) Generative politics is a politics which seeks to allow individuals and groups to make things happen, rather than have things happen to them, in the context of overall social concerns and goals (Giddens 1994a: 31-32).

Thus, the state should be an active actor that generates the conditions for the individual actions, within the "discursive space" of which the state and other social agencies constitute a part. The state should ensure the conditions of active trust both in its relationship to citizens and also within the society in general. Decentralisation and devolving the authority to the local levels should be enlarged through which the autonomy of de-centralised units as well as the legitimacy of the centre is enhanced. Moreover, the state should also "encourage the development of ethical principles of action". This feature seems to have been associated with the aims of preventing crime as well as of creating a balance between rights and responsibilities. Those features of generative politics entail "the shifting character of the state" which is more comprehensively elaborated in the Third Way texts. Also, the central theme of the Third Way that declares the end of "old opposition between state and market" is pronounced here under the title of generative politics.

Giddens mentions that the expansion of reflexivity entails or provides the opportunity of *democratising of democracy* and in order to realise that the social agencies including the state should be evolved into the actors of a *dialogic democracy*, that is to say a more radical form of democracy:

Among the many forms and aspects of democracy debated in the literature today, two main dimensions of a democratic order can be distinguished. On the one hand, democracy is a vehicle for the representation of interests. On the other, it is a way of creating a public arena in which controversial issues -in principle- can be resolved, or at least handled, through dialogue rather than through pre-established forms of power (Giddens 1994a : 33).

Giddens takes notice that the second aspect of the democracy should be strengthened for a more appropriate order in today's reflexive societies. Considering that, the structure of the state needs to be changed into a more transparent, more efficient mechanism. The dialogic or discursive public sphere should be expanded through which the devolution of the state authority to the local units can ensure the more participatory methods of governing. Those participatory methods have to target a more direct relationship between the state and citizens who can experience democratic ways, such as referendum, local activities and public juries, directly<sup>9</sup>.

Given the critique of welfare state, Giddens asserts that the radical politics involves *rethinking the welfare state*. In other words, radical politics claims to suggest “reform of welfare” through replacing old prescriptions of welfare state with a “positive welfare”. The term positive welfare is explained in connection with the balance between the autonomy and responsibility, contrary to the welfare state practices ignoring the social reflexivity (Giddens 1994a: 35).

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<sup>9</sup> The concept of dialogic democracy can be considered as a synonym of Habermas' *discursive democracy* which constitutes one branch within the debate of *deliberative democracy*. Drawing attention to the limits of liberal democratic system, Habermas and his followers maintain the necessity of *dialogue*, or a process of deliberation, within the public sphere and decision-making process (Benhabib 1999). Considering Giddens' criticism of fundamentalism for its rejection of “a model of truth linked to the dialogic engagement of ideas in a public space” (1994a: 23), it may also be said that Giddens' account is inspired by Habermas' notion of “communicative reason” (Anderson 1994: 42). Yet, it is also clear that there are vital differences between these two intimations. Contrary to the deliberative democrats, Giddens asserts dialogue as a means of “problem solving”, rather than an aim in itself. Furthermore, given the concern of Habermas that “markets cannot be democratised” (quoted by Newman and de Zoysa 2001: 124), Giddens locates in the opposite camp due to his confidence in the democratisation effect of markets.



The last feature of radical politics is *confronting the role of violence* emerged among the different cultures, the states, among the individuals and groups within one society as well as between state and cultural groups. The remedy is considered as expansion of dialogue in coincidence with the theme of dialogic democracy. Considering the impact of globalisation, i.e. rising interaction and interdependency between different parts of the world, Giddens declares that:

No culture, state or large group can with much success isolate itself from global cosmopolitan order; and while exit may be possible, in some situations, for individuals, it is not available to larger social entities (Giddens 1994a: 37).

Although the term cosmopolitan order is not counted as an independent feature of life politics and connected with the question of violence, it becomes a key theme as one of the principles of the Third Way theory, under the title of "*cosmopolitan democracy*". In this sense, the features of radical politics can be considered as the earlier forms of the Third Way principles which are permanently reviewed by Giddens and by other contributors, in time.

#### **2.2.4. From Radical Politics to the Third Way**

While declaring the invalidity of both old social democracy and neo-liberalism the Third Way arguments also denote that socialist or conservative positions, too, are not able to respond to the needs of transformed societies. In this sense, the needed political response, that is, the Third Way refers to “a framework of thinking and policy-making that seeks to adapt social democracy to a world which has changed fundamentally” (Giddens 1998a: 26). This framework is supposed to transcend the traditional political positions, but also to benefit from some features of those traditional lines. However, to do this, it should be made clear that the old associations of the existing political positions have also dissolved in today's world. According to Giddens (1998a: 42), “globalisation together with the disintegration of communism have altered the contours of left and right” because those dynamics have both proved the supremacy of capitalism over socialism and

also diminished the class base of left-right differentiation in politics. As Giddens claims:

The Marxist left wished to overthrow capitalism and replace it with a different system. Many social democrats also believed that capitalism could and should be progressively modified so that it would lose most of its defining characteristics. No one any longer has any alternatives to capitalism --the arguments that remain concern how far, and in what ways, capitalism should be governed and regulated (Giddens 1998a: 43-44).

The division between left and right reflected a world where it was widely believed that capitalism could be transcended, and where class conflict shaped a good deal of political life. Neither of these conditions pertains today (Giddens 2000a: 39).

Then, it is a fair question that what makes a political line locate on the left or right, or whether such a division of politics is still valid. This is also essential in the sense that what is the base of proposing that Third Way is a left-of-centre project. Giddens suggests that the division of left and right is still alive; yet, the denominators of them should be understood differently. Since the left can pursue neither class-based politics nor hostility to the market mechanism, it should be defined through "values": reducing inequality, or in other words pursuit of social justice, which involves the protection of vulnerable and social co-operation (Giddens 2000a: 38-39). Yet, it seems that the values, too, are subjected to re-definition and gain new connotations in the Third Way project such that the social model is constructed upon "inclusion" rather than the egalitarianism which has so far been located at the centre of the values of the left<sup>10</sup>.

The division between left and right has not disappeared. It essentially reflects differences in political values. To be on the left is to want a society that is solidary and inclusive, such that no citizen is left outside. It is to have a commitment to equality and a

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<sup>10</sup>Some commentators like Lister (2002) draw attention to the "popular communitarian" understanding of "values" in Blairite Third Way. Based on the quotation from one of the speeches of Blair dated 1996, Lister implies that the central value of the Third Way is community: "the only way to rebuild social order and stability is through strong values, socially shared, inculcated through individuals, family, government and the institutions of civil society" and that 'individuals prosper best within a strong and cohesive society' (Blair, 1996: 8). A central value infusing such a society is that of community."

belief that we have an obligation to protect and care for the more vulnerable members of society. As a crucial addition, it involves the belief that the intervention of government is necessary to pursue these objectives (Giddens 2001: 5).

Then, it is asserted that rather than old associations with class politics and market hostility, such a re-definition of left politics on (re-defined) values generates a succession in the sense of being on the left but at the same time creates a radical rupture from its old meaning. Accordingly, while the left loses its radical essence, Third Way is believed to be radical in its attempt to re-structure the left. In essence, Giddens denotes that radicalism is no longer something to be associated with being on the left, but on the contrary, it is related with the attempt of “breaking with established leftist doctrines where they have lost their purchase on the world” (2000a: 39).

In so far as the old left attempts to preserve the social mechanisms belong to the welfare state period, Giddens argues that the it becomes “conservative” while the right, or neo-liberalism, embodies radicalism through its adaptability to the change and its devotion to the dynamism of markets. In this sense, the old association between being on the right and conservatism is also dissolved in current period. Such that:

(...) we must distinguish conservatism from the Right. What has to come to be understood as 'the Right' today is neo-liberalism, whose links with conservatism are at best tenuous. For if conservatism means anything, it means the desire to conserve -- and specifically it means the conserving of tradition, as the 'inherited wisdom of the past'. Neo-liberalism is not conservative in this (quite elemental) sense. On the contrary, it sets into play radical processes of change, stimulated by the incessant expansion of markets. Paradoxically, the Right here has turned radical, while the Left seeks mainly to conserve -- trying to protect, for example, what remains of the welfare state (Giddens 1994a: 26).

In this respect, Giddens differentiates neo-liberalism from conservatism, associates radicalism with neo-liberalism whereas criticises the contemporary left for being conservative and lack of radical insights. On the other hand, he also declares the death of socialism. In Giddens' account, while socialism unavoidably fails due to its essence of central controlling and conservatism in its traditional

sense cannot answer to the post-traditional age, there emerges a need for "*philosophical conservatism*" (1994a: 27). In other words, it can be argued that Giddens' conceptualisation of the new politics for the renewal of social democracy signifies a radical rupture from the traditional root of social democracy, that is socialism, and attempts to take advantage of radicalism of neo-liberalism in the sense of adapting changes and of conservatism to secure the social bonds within the society. Then, the Third Way is defined as an attempt to revive or modernise social democracy through benefiting the dynamism of the markets as the Right does while articulating a philosophical conservative insight for the sake of social solidarity and "left values". However, what is at stake here is the way in which the Third Way conceptualise those "values" and conservative notions on the base of market dynamism and this issue will be discussed under following titles.

### **2.3. The Third Way Principles**

There exist several but similar counts of the principles of the Third Way that the contributors have proposed. Blair ([1998] 2003: 29) points out four main values of the Third Way as "equal worth, opportunity for all, responsibility and community". Very similarly, Le Grand ([1998] 2003: 138) holds that the Third Way "begins with CORA" which refers to the community, opportunity, responsibility and accountability. Again, Giddens provides a more detailed list. For Giddens (1998a: 77) the Third Way values are: "equality, protection of the vulnerable, freedom as autonomy, no rights without responsibilities, no authority without democracy, cosmopolitan pluralism and philosophical conservatism". On the other hand, considering the "Third Way programme" the lists get varied. Blair ([1998] 2003: 33) summarises the policy proposals as four main objectives: "(first) a dynamic knowledge-based economy founded on individual empowerment and opportunity, where governments enable, not command, and the power of the market is harnessed to serve the public interest; (second) a strong civil society enshrining rights and responsibilities, where the government is a

partner to strong communities; (third) a modern government based on partnership and decentralisation, where democracy is deepened to suit the modern age; (fourth) and a foreign policy based on international cooperation". And Giddens (1998a: 84) counts "the radical centre, the new democratic state, active civil society, the democratic family, the new mixed economy, equality as inclusion, positive welfare, the social investment state, the cosmopolitan nation and cosmopolitan democracy" as the sub-titles of the Third Way programme. In elsewhere, Giddens signifies one more point among the priorities of the Third Way programme to be actualised in Britain as "new coalitions in place of divisions and class war in politics" while adding some measures such as greater transparency, constitutional reform and local democracy in order to overcome the "democratic deficit" in British context (cited in Newman and de Zoysa 2001: 101).

In order to draw the main structure of Third Way theory, it is better to classify those principles and policy proposals which are too interrelated to analyse under separate titles. It seems to be possible to evaluate those features under three sub-titles: the state-society relationship, the model of citizenship and the cosmopolitan democracy.

### **2.3.1. State and Society in the Third Way**

The model that the Third Way proposes for modern societies of such a changed world is basically "a balance among the state, markets and civil society" (Giddens 2000a: 165). It should be noted that all three, the state, market and civil society, require re-definitions in order to achieve a well-functioning democratic society in terms of the Third Way understanding. In other words, while proposing a new model for the relationship between state and society through defining them as "complementary", the theory also takes attention to the necessity of re-structuring them in line with the newly arising necessities of modern societies. The emphasis on necessary re-structuring is embodied by the new concepts and new roles attributed to them such as the necessity of shift in the character of the state

towards an active and regulatory mechanism, an active and strengthened civil society and the competitive markets whose participants are aware of their social responsibilities. It is in this sense argued that the model of state-society relationship offered by the Third Way differs both from the ones advocated by former socialist-social democratic parties and neo-liberals in the early 1980s.

The neo-liberals want to shrink state; the social democrats, historically, have been keen on to expand it. The third way argues that what is necessary is to reconstruct it --to go beyond those on the right 'who say government is the enemy', and those on the left 'who say government is the answer' (Giddens 1998a: 70).

Re-structuring of the state involves diverse features such as the institutional reforms and changes in the resource of the maintained authority. It may be asserted that there are two main lines in reforming the state and some elements of reform process that the Third Way applies coincide with both of them. One is increasing efficiency, while the other is reinforcing democracy in the governmental institutions and in the decision-making process that bring a change in the source of authority. There are some key concepts at issue of re-structuring the state in favour of efficiency and democracy.

While sharing the New Right's critique of welfare state, the Third Way points out that the welfare state has to be re-structured in line with the radically changed circumstances of modern societies rather than attempting to totally diminish of the welfare policies (Giddens 1998a: 113). The address that the social welfare state should be evolved into is "*the social investment state*" with a new target of creating "*a society of positive welfare*", according to Giddens (1998a: 117). The state should learn from the inefficiency of welfare period and admit the need to adopt some principles of private firms that guarantee efficiency such as effective auditing, flexible decision-making structures and increased employee participation<sup>11</sup> (1998a: 73-78). The transparent, participatory, accountable

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<sup>11</sup> The idea that state should function as private corporations and the proposals on the reform in the state reflect the arguments Public Management School that suggest the separation between the public and private sectors is superficial and the "Reinventing the Government" approach that maintain new principles for the public administration such as "enabling government", competitive, market-friendly, consumer-oriented public services

governing mechanism is appreciated due to its functions of eliminating corruption and increasing efficiency, besides "deepening and widening of democracy" (1998a: 69). Furthermore, given the two-fold effects of globalisation (that the rise of the global conscious and co-ordination while, at the same time, the importance of the "locality" is enlarged) the governing mechanism should reckon with the obligations as well as opportunities of the decentralisation and devolution in the sense of democratisation. These principles, Giddens argues, can bring a "*new democratic state*" which composes one of the aspects of "*democratisation of democracy*" together with the "*renewal of civil society*".

The issue isn't more government or less, but recognising that *governance* must adjust to the new circumstances of the global age; and that authority, including state legitimacy, has to be renewed on an active basis (Giddens 1998a: 72 -emphasis added).

Then, the Third Way features of reforming the state epitomise a transformation towards the "governance" mechanism. In essence, the main idea underlying the Third Way model of state-society relationship takes its roots from the governance model which asserts the collaboration of state, market and civil society<sup>12</sup>. The Third Way texts evaluate governance as a necessary shift that the new circumstances of the world entail and that creates new opportunities in favour of democratisation.

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(Ustüner 2000: 19-23). In the literature, those approaches are criticised for legitimising the New Right understanding in the public administration field and for serving to implementation of the neo-liberal policies (Üstüner 2000: 25). On the other hand, later on, Giddens (2003: 14) would himself admit the impact of those approaches upon the Third Way.

<sup>12</sup> The World Bank invents the term "governance" in 1989 and the term incrementally obtains its current meaning. In the Governance Report of the Bank, governance is used through denoting the principles of accountability, transparency, legal framework for development. In order to strengthen the governance, the Bank suggests that "shifting the boundary between the public and private sectors, thereby enlarging the latter, with the government's role changing from direct provision to regulation" aiming to "create an enabling environment for the private sector" (WB 1994: 2). Güler (2003: 105) states that the term governance is further developed by the OECD using it as a process of collaborative governing by the individuals, organisations, public and private sector actors. In this sense, the participation of non-state actors to the governing process becomes a central theme of the governance.

### 2.3.1.1. Social Investment State and Society of Positive Welfare

Due to the expansion of social reflexivity, Giddens maintains, the new forms of organising social energy appears. These new forms present a "rich civic life" on the basis of small groups, support networks and environmental groups. Among them, the self-help groups and voluntary organisations, which are called as "third sector", display effective examples of local civil initiative (Giddens 1998a: 81). That is why the state can and should no more pursue a "social engineering" but has to promote the social entrepreneurship and an active civil society. "To help repair the civil order" through encouraging and supporting those small groups is defined as one of the prime concerns of governments (Giddens 1998a: 82-84). Therefore, although the "increasingly reflexive society" is supposed to be generate "high levels of self-organisation" (Giddens 1998a: 80), the state is also the essential, if not the primary, actor in renewing the civil society through encouraging *self-organisation*, according to the Third Way theory. As Giddens states, the relationship between the state and society should take a form of *partnership* such that the boundaries may sometimes become blurred:

State and civil society should act in partnership, each to facilitate, but also to act as a control upon, the other (...). There are no permanent boundaries between government and civil society. Depending on context, government needs sometimes to be drawn further into the civil arena, sometimes to retreat. Where government withdraws from direct involvement, its resources might still be necessary to support activities that local groups take over or introduce --above all in poorer areas (1998a: 79-80).

Such a partnership denotes a shift in roles of the state from the welfare state to the *social investment state*. The concept mainly suggests the state's responsibility of investing in human capital that is to say developing policies to improve human empowerment. The term social investment state is generally used with another concept "*new mixed economy*" which means, "look(ing) for a synergy between public and private sectors, utilising the dynamism of markets but with the public interest in mind" (1998a: 100). For creating such a synergy, the Third Way



assumes, the state should "invest in *human capital* wherever possible, rather than the direct provision of economic maintenance" and create an "enabling" environment for the private sector and the civil entrepreneurship (1998a: 117).

Considering the new risks (which involve opportunities) that 'run-away world' brings and also the changing composition of the society, the welfare period understanding of the state as the agent of providing security has to be changed. The state can only be a "risk manager" in a world of manufactured uncertainties (Giddens 1998a: 76). The issue is evaluated related with the welfare principle of job security. In this respect, the active and participatory basis of governing should be implemented in order for creating a partnership among government-business-labour markets to manage risks (1998a: 100). Thus, it seems that Giddens replaces the welfare security mechanisms with an active collaboration between state, market and society to make the risks or insecurity in workplace manageable. Indeed, in Giddens' framework, the "risk" is not something to be avoided; contrary to its conventional definition through negative terms, the risk is considered as "the energizing principle of society" that provides opportunities and the ground for innovation.

This aspect denotes the idea of transforming welfare state is favour of *positive welfare society*. Giddens points out that, just as in the case of risk and security, the welfare state has been wrongly defined through negativity, as a pre-emptive mechanism (1998a: 117). Basically, the positive welfare society is built upon the active involvement of social actors as "responsible risk takers" (1998a: 100) while the state invests in civil society for enhancing capacities of individuals, as well as civil organisations, to manage risks, rather than attempts to protect or secure them<sup>13</sup> (1998a: 116). Thus, the welfare both goes beyond being solely an

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<sup>13</sup> In essence, it is no more possible nor desirable. It was "external risks" that welfare security as a mechanism of securing citizens against risks was constructed upon. However, within a (manufactured) risk society, "insurance" of welfare state cannot be maintained due to that those risks can neither be exactly known nor be calculated (Giddens 1998b: 28). Parallel to this, Beck (1998a: 15) indicates that the welfare state was a "collective and institutional response" to the external risks by the aim of compensating them. Yet, now the risks are unpredictable as well as of "nobody's responsibility" in the sense that they are not attributable to an external agency. In this

economic support mechanism through reinforcing the collaboration, hence solidarity in the society, and also enlarges the base of wealth creation (1998a: 117).

As far as the main role of the state is defined through investing in human capital, the Third Way reflects a dismissal of the re-distributive aims and roles of the social welfare state. In the Third Way theory, re-distribution mechanisms of welfare state period are criticised for being unfeasible because of the social burden it creates through the high tax levels, for being undemocratic due to the central role of the state in distribution of benefits from above and also for being outdated given the impossibility to secure the social units against the risks that have a totally different character in the (manufactured) risk society. In this respect, the assumed social reflexivity is considered as an opportunity that makes the re-distribution of the social richness by the state a useless effort that can easily be carried out by the local, voluntary civil organisations in a more democratic manner. As Giddens states:

Where third sector agencies are not already well represented, they should play a greater part in providing welfare services. The top-down dispensation of benefits should cede place to more localised distribution systems. More generally, we should recognise that the reconstruction of welfare provision has to be integrated with programmes for the active development of civil society (Giddens 1998a: 117-118).

It must be underlined that the Third Way theory both takes for granted the social reflexivity and also appreciates it as a target to be reached. The roles of the state are re-defined in favour of expanding social reflexivity while the criticism of the welfare state is built upon its harmful effects on social reflexivity. In other words, the reflexive mobilisation of the society becomes both a reason and also the target of the change.

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respect, state cannot be the agent who is responsible to secure, indeed it cannot provide such security any more owing to the changed character of risk. On the other hand, in order to manage risks, which are not equally distributed, but “follows the poor”, Beck (1999: 16) offers to construct “communities of risk” that is very similar to what Giddens and Third Wayers propose. Yet, Beck seems more critical against the global market in his consideration of market actors as benefiting from the existence of those risks.

Therefore, we may summarise the new division of labour between state and society that Third Way theory assumes as follows: the state should provide the conditions for and removing obstacles in front of the competitive market mechanism while re-organising itself in line with the efficient and dynamic character of private firms. The state should invest in human capital rather than being a direct producer of social services (as it was the case in the welfare state period) as far as they harm or at least not coincide with the social reflexivity.

On the other hand, the roles of the civil initiatives as organising self-help and voluntary groups should be appreciated and supported since they replace the welfare state in providing social support mechanisms within the society. As Blair ([1998] 2003: 30) points out, the state should “enable” the civil society, that is to say the communities and the third sector, in order for not to restrict the freedoms within the civil society by increasing state intervention and for enhancing their capacities to deal with the social needs. In this sense, the Third Way maintains that an “enabling state” can and should strengthen the civil society, which is equalised to the voluntary organisations and self-help groups, and provide those groups the ground for improving their performance (Blair [1998] 2003: 131). Through that, the state can reserve its resources to protection of the “most vulnerable members of the society” in sake of “egalitarian society” which is defined in terms of social inclusion, and to invest in human capital (Giddens 2001: 5). Then, to put it differently, the civil society needs the state intervention in order to function, while the vice versa is equally true.

A key challenge of progressive politics is to use the state as an enabling force, protecting effective communities and voluntary organisations and encouraging their growth to tackle new needs, in partnership as appropriate (Blair [1998] 2003: 30).

Thus, it can be argued that another role that the Third Way attributes to the state is removing the barriers in front of the civil society, in the sense of civil organisations, small groups and social entrepreneurship, while directing the civil initiative groups towards a way that they can provide self-help so that can generate the base of social solidarity which has been destroyed in the neo-liberal

period, and which could not be repaired by the old Keynesian means. As Giddens notes:

The protection and enhancement of the civil sphere is a key preoccupation of third way politics. It is a mistake just to counterpose the state to markets. Without a stable civil society, incorporating norms of trust and social decency, markets cannot flourish and democracy can be undermined (Giddens 2000a: 165).

Then, since the market mechanism is the most efficient order, as well as having no rival, in creating wealth and dynamism and since the need for social solidarity entails the revival of civil society, the state should function in co-operation with these two vital spheres. The state should not dominate, but regulate the market and civil society. While the civil society has a “core role” in the sense of achieving “civic entrepreneurship” through composing civil organisations hoped to generate solidarity, the market actors –firms and corporations, too, should share the social responsibility especially at issue of environmental costs. This is what Giddens (2001: 5) defines as “responsible capitalism”. Moreover, those two spheres, civil society and market, should be aware of their mutual dependency in order to function properly. In other words, the state, market and civil society should be considered as complementary.

### **2.3.2. Social Solidarity - Equality as Inclusion - Citizenship**

Seeking for social solidarity is one of the key concerns, if not the most important aim, of the Third Way, as it is mentioned before. Many other concepts can be considered as the supporter ideas for or the policy proposals to generate social solidarity. Thus, what is seen as a threat to solidarity within the society should be explored.

One reason underlying the damage of the solidarity in current age is the dissolution of social units. As a remedy to that the Third Way suggests, in a sense, the integration of the principle of the philosophical conservatism with democratising of democracy. Secondly, the social exclusion is evaluated as a

threat to solidarity and thought to be repaired through an inclusive society. Finally, all those proposals suggested for generating social solidarity that is constructed upon a new model of citizenship having high reflexivity and being aware of his/her responsibilities as well as rights.

One of the prominent criticisms that the Third Way directs to the New Right is the dissolution of the social units and diminishing of basis of the social solidarity through the neo-liberal policies. Giddens permanently underlines the need for repairing social units which does not mean an effort to make them return to their old manners but a process of modernising them in line with the endeavour of democratising of democracy. Indeed, as the premise of living in a post-traditional order signifies, returning to the traditional forms of social units, e.g. family, is not only undesirable but also implausible (Giddens 1998a: 91; Blair [1998] 2003: 132). Yet, there is also a necessity for philosophical conservatism which means "conserving, restoring and even perhaps reinventing" of traditions and social units for the sake of social solidarity.

"*Democratic family*" is one essential aspect of such an endeavour. The ideal of democratic family is composed of some principles such as emotional and sexual equality, mutual rights and responsibilities, co-parenting, negotiated authority over children, the obligations of children to parents beside the rights and the socially integrated family (Giddens 1998a: 95). Such a democratic family is expected to expand those principles into the society which makes it a vital base for social solidarity. Giddens (1998a: 98) argues that family relations are constituents of "wider fabric of social life" and "strong family ties can be an effective source of civic cohesion only if they look outwards as well as inwards". This is what Giddens called as "socially integrated family".

The features that makes a family democratic is explored as the mutual rights and responsibilities between parents and children as well as equality between the sexes in such a way that the family, ideally speaking, can reflect a combination of individual choice and social solidarity (Giddens 1998a: 93). Beside family, the *community* is essential due to its cohesive potential:

The theme of community is fundamental to the new politics, but not just as an abstract slogan. The advance of globalisation makes community focus both necessary and possible, because of the downward pressure it exerts. 'Community' doesn't imply trying to recapture lost forms of local solidarity; it refers to practical means of furthering the social and material refurbishment of neighbourhoods, towns and larger local areas (Giddens 1998a: 79).

Then, renewal of community is functional both in the sense of coinciding with the globalising effect and also of being a strong resource of solidarity that is relatively easy to achieve through, for instance, empowering neighbourhood. Another functionality of communities is at issue of prevention of crime. Giddens tends to attribute the rise in crime, or rise in the fear of crime, within the society to the dissolution of communities, although he notes that that is not to say that there is no connection with unemployment or poverty (Giddens 1998a: 88). Yet, he suggests “community-based crime prevention” as a feature of renewal of civil society to be obtained through a partnership between state and communities (ibid). Similarly, Blair and Schröder tend to associate the rise of crime with diminish of “community spirit” which is based on the co-existence of rights and responsibilities, again. It is noteworthy that there is no reference to the social inequalities as a reason of rising crime in the text of two leaders.

Too often rights were elevated above responsibilities (...). If the concept of mutual obligation is forgotten, this results in a decline in community spirit, lack of responsibility towards neighbours, rising crime and vandalism, and a legal system that cannot cope (Blair and Schröder [1999] 2003: 111).

The emphasis over the community for its effectiveness in generating social solidarity is strongly related with the Third Way consideration of equality as social inclusion, as well as with the policy proposals for managing poverty. As far as the redistribution mechanisms of welfare period are unmanageable and also undesirable, and following that, since the state is defined through its roles in investing human capital and encouraging entrepreneurship, the community gains an enlarged responsibility in dealing with social miseries such as poverty. Again, Giddens advocates the enhanced role of the community both as a necessity of the changing circumstances and also as an opportunity for a more democratic society.

Conventional poverty programmes need to be replaced with community-focused approaches, which permit more democratic participation as well as being more effective. Community building emphasises support networks, self-help and the cultivation of social capital as means to generate economic renewal in low-income neighbourhoods. Fighting poverty requires an injection of economic resources, but applied to support local initiative (Giddens 1998a: 110).

Yet, the fight against poverty is not enough to repair social solidarity. The critique of welfare state involves that the welfare period solely targets the poor, while the rich only externally relate to the welfare practices and prefer isolating themselves. Giddens argues that this is one reason that harms social solidarity by dividing society as poor and rich. Moreover, beside the voluntary isolation of rich, the people at the bottom of society are involuntarily excluded due to unemployment. Such a two-fold exclusion is evaluated as the other main factor undermining social solidarity, in addition to the dissolution of social units. Then, there is a need of initiatives for creating an inclusive society in which "people feel themselves as members of it" through fulfilling their rights and responsibilities (Giddens 1998a: 108).

Then, social solidarity is expected to rise through community-based renewal of civil society which generates inclusive mechanisms via self-help, voluntary groups and the state is expected to invest in human capital to enhance individual capacity to entry labour market, rather than engage in redistribution of wealth. That is to say, the ideal of equality in distribution of market outcomes is abandoned in favour of equality of opportunity to enter the market.

(...) recent discussion among social democrats has quite rightly shifted the emphasis towards the 'redistribution of possibilities'. The cultivation of human potential should as far as possible replace 'after the event' redistribution (Giddens 1998a: 101).

Therefore, the concept of equality is equalised with the inclusion that coincides with the plurality and diversity of life-chances, contrary to the old versions of "egalitarianism at all costs" (Giddens 2000a: 85). Such equality can only be realised in terms of equality of opportunity which is considered as a dynamic approach to equality.

What then should equality be taken to mean? The new politics defines equality as *inclusion* and inequality as *exclusion* (...). Inclusion refers in its broadest sense to citizenship, to the civil and political rights and obligations that all members of a society should have, not just formally, but as a reality of their lives. It also refers to opportunities and to involvement in public space (Giddens 1998a: 102-103).

The most important initiators of the social inclusion is involvement in labour force and education which embodies an essential factor for "redistribution of possibilities" through enhancing individual capacities that provide competitive advantages for involving labour force (Giddens 1998a: 109). Yet, Giddens denotes that there is still a need of "redistribution of wealth" due to that the inequality of outcome reflects as inequality of opportunity for the next generations (2000a: 89). Considering the arguments of community-based fight against the poverty and the role of the state to "help people for help themselves", the Third Way theory does not tend to give primacy to the redistribution of wealth. Indeed, it is not accepted as a solution, on the contrary it is seen as a "past mistake" that confuses the social justice with the equality of outcome (Blair and Schröder [1999] 2003: 111). As Brown (2003: 135) underlines, the equality of outcome is "neither desirable nor feasible" to apply. Rather than that, helping people who are disadvantaged entails helping them to enhance their capacities to fit themselves to the unstable conditions and to gain equal opportunity for 'realising their potential'. In other words, the Third Way applies equality in terms of "equal right to realise potential" (Brown 2003: 135) or "equality of opportunity". Thus, the problem of equality is thought to be resolved through providing equal opportunity to and increasing capabilities of individuals.

A society where the market has free play may create large economic inequalities, but these don't matter as long as people with determination and ability can rise to positions that fit their capacities (Giddens 1998a: 13).

In the sense of concrete policies, Giddens proposes that the increasing taxes should not be considered as a remedy fixing all cases, as in the Keynesian period. On the contrary, promoting the job creation and entrepreneurship through tax cuts



is thought as a better way of contributing to the social prosperity (Giddens 2000a: 97).

Therefore, achieving equality, in terms of opportunities, is internally related with the investing in human capital in Third Way theory. The question of equality is considered as an issue of social exclusion repairing of which is thought as a resource of social solidarity. In this sense, the whole model is constructed upon a model of active and reflexive individual that is aware of his/her rights *and* responsibilities, in addition to the cohesive power of communities. That brings a new perception of citizenship.

Parallel to the conceptualisation of equality, the consideration of citizenship also reflects the necessities of radically changed world, in the Third Way theory. In this respect, rather than the citizenry of Keynesian period that assumes a "stable lifestyle habits" the reflexivity of globalisation age entails and provides the opportunity of an active citizenship (Giddens 1994b: 42). The active citizenship is based on a "new social contract" that reconnects the state, market and civil society on the base of active, reflexive and responsible citizen. Here again, the perception of reflexive or "active citizen" is elaborated from two dimensions, both as a reality that changed conditions give birth and also as a necessity or duty that people should have in order to adapt themselves to the changed conditions. The two quotations refer to each one respectively:

In the 1940s people accepted services handed down from the state – for example, housing. They now want to make their own choices over their own lives and rightly see themselves as decision-makers in their own right and they want a government that will enable them to make decisions for themselves and give them power over their lives (Brown 2003: 136).

The new contract stresses both the rights and responsibilities of citizens. People should not only take from the wider community, but give back to it too. The precept 'no rights without responsibilities' applies to all individuals and groups. Government must maintain a regulatory role in many contexts, but as far as possible it should become a facilitator, providing resources for citizens to assume responsibility for the consequences of what they do (Giddens 2000a: 165).

In this sense, the state should have the responsibility for providing resources while the citizens should be aware that they have commitments in turn to their gains (Giddens 2000a: 52). Giddens argues that "a common morality of citizenship" can only be achieved through such a balance between rights and responsibilities (1998a: 108). Similarly, Blair ([1998] 2003: 30) points out that the on-going separation between the rights that citizens demand from the state and responsibilities or duties that they have is a mistake since the rights without responsibilities "are engines of selfishness and greed".

It can be asserted that those responsibilities of citizens involve their active participation to generation of social solidarity through reviving their communal bonds and taking part in voluntary groups to help others within the civil society, as the principle of philosophical conservatism signifies and the rise of reflexivity provides. Furthermore, markets constitute the third part of that new social contract with a necessary awareness of market actors in the sense that the social institutions and the civil society composed of active citizens are the prerequisites of a well functioning market economy (Giddens 2000a: 165). The firms and corporations should also have the responsibility of environmental costs and social obligations as the term "responsible capitalism" implies (Giddens 2001: 5).

Indeed, such a model of active citizens having high reflexivity and responsibility as well as being capable of benefiting from opportunities that flexible, ever-changing globalising world brings constitutes one necessary part of the whole framework of the Third Way thought. In order to benefit from flexible world, people should be flexible, too, and in order to manage with the problems of the same world, they should engage in self-help groups. In other words, while reminding the responsibilities, the Third Way recommends citizens to help others which in return may provide help them, too. This may be considered as the summary of the proposals for the social solidarity that the Third Way seeks for. Blair argues that:

The life of any family and any community depends on accepting and discharging the formal and informal obligations we owe to each other. The politics of 'us' rather than 'me' demands an *ethic*

*of responsibility* as well as rights. This is the *foundation of social solidarity* on which any successful society depends (Blair [1998] 2003: 132 –emphasis added).

It is very much related with the Third Way argument about the necessary shift from welfare state policies which mainly denote the equal right of the citizens to access the social services and the aim of full employment. Since the conditions of welfare period has radically changed, the social targets and the policy means have to change, too. As it is already mentioned, according to the Third Way, the old social democracy failed to adapt itself to the flexible and competitive character of the new era. Then, the Third Way should aim at achieving the flexible and competitive structures within the society. Rather than any rigidity in the sense of full employment or universality of welfare services, the citizens should be encouraged to be flexible enough to adapt themselves to the flexible, competitive world, to the *market* in particular. Therefore, the citizens should be “active” basically in two senses: active in taking responsibilities and active in their flexible lives. Yet, the Third Way insists on presenting such obligatory situation not only as a necessity that the globalisation era brings but also as an opportunity for citizens to realise themselves, actively<sup>14</sup>. Needless to say, the failure of citizens in their adaptation to the new conditions hopes to be compensated by the voluntary,

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<sup>14</sup> It is noteworthy that Beck (1998b: 58-61) holds a similar position but accentuates the *obligatory* requirement for “public work”. For Beck, employment that was the base of democracy is being “killed off by capitalism” and is evolving to “joblessness” in a “post-work society”. In this respect, Beck offers investing in “social capital” and encouraging “public work”, i.e. voluntary work and self-help groups proposed by Giddens, as a necessity to manage unemployment. One of the proposals of Beck envisages a public stipend to those involving public work so that breaking the equation between voluntary work and unemployment. At the same time, involving public work means participation of “active citizens” (and participation should be reinforced by the state through delegation of authority) so that, in a sense, democracy is secured. Therefore, Beck states, the material and cultural foundations for ‘individualism coupled with solidarity’ would be established. Hence, flexibility –which is not other than “unemployment disguised in the new forms of temporary, unskilled, part-time work” for Beck- can be evolved into a base for social solidarity as far as investment in civil society is implemented. Then, although Beck and Giddens stress the flexibility, respectively, as a threat to democracy and as an opportunity for individual reflexivity; both move from the same point that it is an inevitable dynamic shaping today’s world and reach to the same conclusion that it provides a base for enhancing civil society through voluntary work, and hence, for social solidarity.

self-help groups not by the state except from extreme cases. As Blair states “the ways in which we help people need to change” (Blair [1998] 2003: 132).

Having the same job for life is a thing of the past. Social democrats must accommodate the growing demands for flexibility (Blair and Schröder [1999] 2003: 111).

To achieve higher growth and more jobs in today’s world, economies must be adaptable: flexible markets are a modern social democratic aim. (...) Product, capital and labour markets must all be flexible: we must not combine rigidity in one part of the economic system with openness and dynamism in the rest (Blair and Schröder [1999] 2003: 113).

In this sense, the stress on the flexibility of individual lives is associated with the flexible labour market in coincidence with the abandonment of the Keynesian compromise on full employment in the welfare state period. It is noteworthy that whether the full employment is achieved or not in the welfare state era, it has been one of the key aspirations and policy proposals for the social democratic movement. In this respect, there is a sharp shift in the aims of “modern social democratic” position that the Third Way claims to occupy. Here, as above quotations denote, the aim of full employment is replaced with the flexible labour market which is presented as inevitable and denotes the part-time and temporary work. In this framework, it can be argued that the “new ways to help people” that the Third Wayers propose designate the roles of state to invest in human capital to increase the employability of individuals and the responsibilities of the civil society to provide informal social security mechanisms. This general framework is complemented with the description of active citizen as the reflexive agent who is aware of the benefits of flexibility, capable to adapt him/herself to the flexible conditions and also having the responsibility to help others within the society through actively participating in the self-help organisations.

### **2.3.3. Cosmopolitan Democracy**

Both as being a separate principle of the Third Way and also as a common element embedded in other principles, the emphasis upon the cosmopolitan

democracy<sup>15</sup> constitutes an essential dimension in the theory<sup>16</sup>. The central place of the specific interpretation of globalisation as the key dynamic shaping today's circumstances determines the perceptions of the possibilities as well as specific policy proposals in favour of cosmopolitan democracy, too, in the main texts. It is argued that there exist various dynamics, which are somehow related to globalisation, bring out the possibility and also the necessity of a cosmopolitan order on the global level, or in other words, of a global governance<sup>17</sup>.

The Third Way's proposal for a global order is basically based on *dialogue among nation states, global markets and global civil society*. That is to say, the model of state-society relationship at national level, as well as at localities, is applied to the global scale (Giddens 2000a: 123). The collaboration among the nation states, global markets and global civil society is assumed to be necessary in order to manage global risks and problems the resolutions of which go beyond the capacity of one single country as in the case of ecological problems (1998a: 153). Global collaboration is also essential for regulating global markets that operate at transnational level. In this sense, it should be noted that the Third Way proposes that the conflicting interests assumed to exist among the developed and under-

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<sup>15</sup> Giddens acknowledges that his theses on cosmopolitan democracy have benefited from views of David Held, who edited *Cosmopolitan Democracy* (1995). Ulrich Beck, too, takes part in discussion on cosmopolitan democracy through publishing "The Cosmopolitan Manifesto" in 1998.

<sup>16</sup> Held and Archibugi (1995: 13) state that "the term *cosmopolitan* is used to indicate a model of political organisation in which citizens, wherever they are located in the world, have a voice, input and political representation in international affairs, in parallel with and independently of their own governments. The conception of *democracy* deployed here is one that entails a substantive process rather than merely a set of guides". Cosmopolitan democracy requires cosmopolitan institutions that constitute a dialogue base among nation-states and have a power to influence states in favour of democratic actions.

<sup>17</sup> Held (1995: 106) argues that today's democracy should enhance into global level through international and transnational power structures. Then, cosmopolitan democracy is constructed upon formation of global institutions functioning "global governance". Saying that he agree with Held in need for enhancing administrative capacities, Beck (1999: 14) draws attention much more on generating "cosmopolitan solidarity" through cosmopolitan civil society, otherwise, he holds, cosmopolitanism falls into an "institutional fantasy", a technocratic world society. Beck also stresses on the necessary distinction between global capitalists and global citizens. He concludes his cosmopolitan manifesto by analogy to *Communist Manifesto*: "Citizens of the world, unite!" (ibid: 18).

developed countries is an outdated idea, too. In other words, the supposed complementarity among the state, civil society and market seems to be applied to the relations of the nation-states. As Giddens (2000a: 167) states, “The modernising left recognises that the interests of the developed and developing countries are often the same, rather than always contradictory”.

Then, in the Third Way theory the nation-state is still a central actor, at least an equal feature of the assumed global order, with global market and global civil society, whereas the "nationhood" needs to be transformed towards a more cosmopolitan manner. The cosmopolitan nationhood, which is a more open and active identity, is seen as a cohesive factor or a "stabilising force counter to endless fragmentation" that market creates (Giddens 1998a: 129).

The *national identity* dominant in the *pre-globalisation period* differs from the new *cosmopolitan nationality* through its antagonistic, rigid and taken-for-granted character. In other words, a national identity in a globalising world entails a "more open and reflexive construction" (1998a: 134). If one reason for that is supposed reflexivity enhanced within the society, the other is the fact that immigration gives rise to more multi-cultural societies, especially within the developed countries. Then, a cosmopolitan nationhood is needed in order to generate social solidarity among the people who have diverse cultural and ethnic backgrounds. It inevitably prevents nationhood from being a rigid, homogeneous identity that suppresses other identities. That is to say, Giddens asserts, the cosmopolitan nationalism can create a common identity or belongingness among the citizens while it is inevitably characterised by diversity and ambiguity (1998a: 134-137). In essence, this is the only appropriate form of nationalism for globalising world.

A cosmopolitan outlook is the necessary condition of a multicultural society in a globalising order. Cosmopolitan nationalism is the only form of national identity compatible with that order (Giddens 1998a: 136).

Similar to the non-antagonistic nature of cosmopolitan nationhood, the relationship among the nation-states can and should gain a collaborative manner. Living in post-1989 era, according to Giddens (1998a: 137), means that there is

no such "enemy states"<sup>18</sup> as in the case of bi-polar world and this provides a potential base for expanded dialogue. This entails that the nation-states have to integrate global perspectives in to their national policies more intrinsically than they do in the past (2000a: 124) so that democratisation, openness to dialogue, is not confined to the national level (2000a: 159). Moreover, due to globalisation that strengthens the informative networks throughout the world and facilitates the capital flows, as well as civil interactions, it is no more possible for one single country to close itself to the rest of the world. This is so-called *democratisation effect of globalisation*.

There are good reasons to suppose that intensifying globalisation actively promotes democracy, even in nations that may have little history of it. Globalisation is driven in some large part by new systems of communication which, together with changes in everyday life, alter citizens' relation to the state. Authoritarian political power is not only much harder to sustain than in the past, it is more easily punctured and dissolved (Giddens 2000a: 159).

Thus, the relation between globalisation and democracy has two-edges. While the nation-states are obliged to interact with others in a more peaceful manner, they should also be open to the dialogue with their citizens who are more reflexive, active and ethnically diversified. This can be asserted as the reason why Giddens claims that there is a radical change in the nature of sovereignty that nation-states pursue. In this respect, the sovereignty in order to be sustained should be constructed upon a dialogic democracy among the constituent parts of one society, as well as the constituent nations of global world -rather than occupying antagonistic positions<sup>19</sup>.

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<sup>18</sup> Beck (1998b: 142) argues that this is a transition from "a front-state democracy to a *democracy without enemies*". Yet, he underlines that this also creates "an unquenchable need for new enemy stereotypes". It may be Islamic fundamentalism, Third World, a single country or collective groups such as migrants, foreigners etc. (ibid: 150).

<sup>19</sup> Held (1995: 115) denotes that cosmopolitan democracy does not refer to a consensus on beliefs, values or norms but creation of a base for open dialogue in which plural identities can be flourished through mutual toleration. There is noteworthy parallelism between cosmopolitan democracy and debates on "deliberative democracy" supposing that it is the deliberation process, i.e. *procedure*, rather than a necessary consensus as a consequence of that process, is needed for an appropriate democracy. In essence,

Giddens asserts that there exist certain examples of dialogic democratic formations acting on global scale such as the emergence of a global civil society thorough non-governmental organisations (NGOs), which signify the "cosmopolitanism coming from below" (1998a: 140) or "globalisation from below" (2000a: 123) while the global financial markets and technological innovations proceed "globalisation from above" (2000b: 47), and such as the European Union (EU) which provides a model for collaborative action among the nation-states (1998a: 140-144).

As the cosmopolitan order is almost spontaneously being constructed by the dynamic of global civil society, the nation-states still have to play chief role to realise the conditions of cosmopolitan global governance. The main duty of governmental bodies in this issue can be summarised as providing a platform for open dialogue among different actors and building new institutional mechanisms for the sake of global governance. Giddens (2000a: 124) points out five areas in which global institutions should be composed or strengthened, these are: global economy, global ecological management, regulation of corporate power, control of warfare and transnational democracy.

It should be noted that except for some specific proposals such as establishing a global central bank (Giddens 2000a: 127), the emphasis upon the regulatory mechanisms shares the same perspective with the policy proposals for one country. In this sense, the regulation does not mean the control of state or a global governing body over the transnational corporations for instance, but refers to a negotiation process. Governments should promote competition in order to enable market function efficiently. They should promote the dialogue among NGOs, third sector and private corporations to enable an efficient consumer-producer communication, as well as to remind corporations their responsibilities for ecological concerns. Governments should also support the employee share

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Giddens' assumptions on "reconcilable" interests through democratisation (within society) and governance (within and among states) borrow the main argument of deliberative democrats, while, on the other hand, conceptualise the interests of participatory actors as "often the same".



ownership which also contributes to the partnership of corporations and unions, or employers and employees. As Giddens asserts:

[Governments should seek to] *encourage corporations and unions to work together* on economic restructuring in the face of technological change. Once more we need to look for new models here rather than relying on the old ones. There are situations in which management and unions are in a situation of interest conflict, and where unions need to protect the labour force from damaging corporate policies. Yet there are just as many other circumstances in which only active cooperation can offer such protection (Giddens 2000a: 150 –emphasis added).

It is noteworthy that Giddens also implies that there will always be various models of capitalism and debates over it due to the different historical and cultural features of societies. Yet, there is no one model that fits with each country on the world. What is needed is promoting “responsible capitalism” that goes beyond the market fundamentalism. In this sense, as far as it is assured that corporations fulfil their responsibilities, i.e. responsible capitalism is achieved, then, debate over versions of capitalism is nonsense (Giddens 2000a: 152-153).

Therefore, the Third Way model, is based on the idea that “capitalism has no alternative, but it should be regulated” and the social solidarity within the competitive market should be achieved. In this context, the proposal of complementarity of the state, market and civil society is supported with the re-defined roles of those three spheres: the state is “enabling state”, the market is composed of “responsible” actors and the civil society is composed of active, reflexive and self-reliant individuals that have moral values including responsibility to others through participating into self-help communities. In this sense, the citizen is conceptualised as the active agent of both competitive market and social solidarity units, i.e. communities. The assumed complementarity and reconciliatory interests at the local and national levels are also attributed to the global level with an account of global governance and cosmopolitanism. The criticisms and further evaluations of the Third Way model will be presented in the following chapter.

## CHAPTER III

### CRITICAL EVALUATIONS

In the literature on the Third Way, the critiques of the Third Way theory and the New Labour practice, i.e. the Labour Party governments under the leadership of Tony Blair, are often directed interchangeably. That is to say, the principles of the Third Way as formulated in theoretical texts by Blair and Giddens and the policy implications put in force by the New Labour as well as the rhetoric the party members have used are generally evaluated together. Moreover, the terms Third Way and New Labour are generally applied as interchangeably. It is mainly due to the fact that “New Labour and the Third Way appeared on the political scene like Siamese twins” (Newman and de Zoysa 2001: 98).

On the other hand, there are also some critics asserting that the New Labour adapts the Third Way arguments only selectively. Indeed, Giddens (2003: 2) currently claims that the Third Way is not equal to the New Labour or New Democrats, but to “progressivism”, although he did not need such a separation formerly. However, it seems much more important to consider that the general framework of the Third Way should be discussed in a wider context. Such a consideration admits the close interrelation between the Third Way and New Labour and allows to draw parallelism between the critique of New Labour and the Third Way, beside the inevitable differences, while keeping in mind that both the thoughts that shape them and the implications that are shaped by them go beyond these “Siamese twins”. The Third Way proposes a new definition of the left or social democratic politics. This re-definition is constructed upon particular pre-suppositions, interpretations, and theoretical and philosophical statements about the changing conditions of the world. Based on those premises, the Third

Way obtains a specific vision of state and society relationship, together with an account of citizenship and an aspiration of global cosmopolitan order. Yet, neither the premises nor the particular re-formulations are specific to the Third Way. As this chapter attempts to cite, there are certain debates, positions, dynamics that the Third Way shares with or borrows from while conceptualising its own model.

The criticisms quoted here are the ones that, in general, draw attention to such a comparative account of the Third Way, as well as that concentrate on its internal features. In line with that, firstly the criticisms of the premises of the Third Way will be cited. Then, the arguments against the basic claim of the Third Way, that is, the claim of newness, will be outlined. The following sub-title will attempt to evaluate the main theoretical and political movements that the Third Way borrows its main proposals. The complementary relationship between old oppositions, which denotes the central concern of the Third Way and the model of citizenship that the theory offers, will be discussed respectively. Then, the so-called self-criticism of Giddens will be mentioned. Finally, in the last part, it will be tried to conceptualise the Third Way as a hegemonic attempt in today's politics.

### **3.1. The Issue of Premises of the Third Way**

The Third Way, as it is already mentioned, is primarily constructed upon the rhetoric of “radically changed world” which urges the need for new approaches due to the fact that none of the old considerations could adapt itself to the new conditions. Yet, such a radical transformation also denotes the opportunity for new politics that is claimed to be the Third Way. In other words, applying various pre-suppositions, the Third Way “constructs a context for the necessity of a new approach as a given fact” (Morrison 2004: 171). Froud (et al. 1999: 157) charge that Third Way's over-emphasis on the “new conditions”, together with its claim of being new, provides it a base to present itself as the only line corresponding to the new world, while paving a way to display the criticisms as belonging to the “old world”. Furthermore, Fairclough (cited in Leggett 2004: 194) draws attention to the implicit argument that “there is no alternative” to adapt ourselves to what

Giddens calls as “social revolutions of our time” and neglects that the process is an uneven and contested one. In other words, Third Way pre-supposes a specific understanding of changes, namely globalisation, and constructs its proposal for a new politics upon those pre-suppositions.

Globalisation is the chief transformative dynamic, according to Third Way account of change, and thus, the main base for formulating new concepts. Yet, the specific vision of globalisation that the Third Way imposes attracts criticisms. Lewandowski (2003: 116-119) criticises the Third Way for drawing almost a casual connection between globalisation and democratisation. In essence, Giddens elaborates globalisation as emergence of global public sphere that reinforces dialogue at global level, which is the pre-requisite of “dialogic democracy”, as well as opens space for democratic action. Moreover, globalisation considered as a creative dynamic, changes the life-styles of individuals and weakens the power of traditions. What enables the dynamic of globalisation to enhance the dialogue, thus democracy, is mainly the technological innovations in communications. Yet, as he suggests:

Giddens overburdens the emancipatory promise of communication and information technologies. ‘World-wide’ global technologies such as the web and satellite television do not simply democratize information and communication (Lewandowski 2003: 116-7). Such technologies are perhaps best capable of globalizing cultural forms, but cannot in themselves be depended upon to democratize information or foster genuine public spheres (ibid: 126).

In essence, Giddens suggests that the core of globalisation is “increasing interdependence” in the sense of being affected by the events coming out anywhere in the world, owing to “communication revolution”, and such a dependency results in an impossibility of sustaining autarchic, authoritarian regimes (Giddens 2002: 70). It should be added that Giddens also tends to draw a casual connection between “rising reflexivity” in the sense of increasing awareness of individuals in their lives, which is supposed to increase their demand for more democracy and participation to the decision-making process consequences of which effect their lives, with globalisation. In this sense,

globalisation is considered as a great force that promotes democratic regimes and provides the base for a cosmopolitan order through undermining very possibility of authoritarian regimes, owing to both increased interdependence at global level (Giddens 2000a: 159) and increased reflexivity of the citizens at local level. Moreover, due to the fact that so-called “reflexive individual” locates in the heart of the Third Way theory through various features associated with the term, it can be well argued that globalisation, with its direct promotion of reflexivity, is considered as the pre-given dynamic that legitimises the principles of the Third Way. In line with that, the social reflexivity, mainly as a consequence of globalisation, is taken-for-granted in Third Way’s texts, in a confusing sense such that enhancing reflexivity is presented as a proof of the change, as a reason for change and also as a target to reach.

Lewandowski (2003: 115) maintains that while attributing an emancipatory essence to the globalisation, the Third Way disregards the fact that it creates new forms of spatial and temporal control, especially for the ones who cannot access to the information that is claimed being democratised. The idea of democratisation is also held at issue of redistribution of wealth which is only in the sense of new wealth creation, the Third Way asserts. Lewandowski (2003: 121) denotes that it displays an optimistic account of globalisation in the sense of expecting that competitive and growth-driven economic activity in globalising world will create more jobs and new wealth while in reality, the researches on globalisation shows just the opposite. In this sense, although Giddens tends to associate globalisation with creation of new wealth, and thus with a dynamic in favour of reducing poverty and social exclusion, such an account does not coincide with the reality that both poverty and social exclusion has been enlarged due to the increasing gap between and within the geographical units. It is true that Giddens (2002: 70) believes in that “communication, not finance and markets, is the most important factor shaping globalisation”. This is what makes the Third Way account of globalisation lack of an essential analysis of the story. It leaves the question of the *political economy* of globalization – in particular, the political economy of place in global capitalism – unanswered (Lewandowski 2003: 120).

On the other hand, one of the proponents of the Third Way, Latham (2001: 28) claims that the Third Way offers “a new social contract between the winners and losers of globalisation”. The receipt that the Third Way proposes to compensate the lost is increasing their “social capability”. Furthermore, Giddens (2003: 4) in his “self-criticism” underlines that globalisation, on the one hand, promotes democracy and provides benefits through the free trade, on the other hand creates new tensions, conflicts and insecurities. However, given the concepts like manufactured uncertainty and post-traditional order, those newly rising risks are also appreciated as the factors enhancing the social reflexivity as the individuals, as well as the state, are encouraged to re-orient themselves as “risk-takers”. Then, although it is accepted that globalisation provides new risks, the risks themselves are conceptualised both as inevitable, since the improvements in science and human knowledge have given rise to, and as something positive, since the agents, i.e. risk-takers, have the *opportunity* of enhancing their reflexivity.

Moreover, given the account of the Third Way that ascribes, in a sense, “neutrality” to the globalisation process through associating it with technological improvements, it totally ignores the capitalist essence of globalisation in its current form. As Wood (1998) argues, such a position fails to evaluate “new forms of imperialism” within the globalisation process that surely reflects unevenness, rather than neutrality, as an intrinsic characteristic of globalisation. In this sense, conceptualising globalisation as a rupture, or a totally new phenomenon neglects its capitalist roots, which displays continuity in the expansion process of the market.

Capitalism used to extricate itself from crisis by moving outward, by imperialist expansion. Now that capitalism has become virtually universal, the old forms of imperialism, colonial expansion by military force, are less available. The new forms of imperialism—financial control, manipulation of markets, debt, and so on—are more deeply rooted in the logic of the capitalist market and hence more subject to its systemic contradictions (Wood 1998).

In the sense of premises of the Third Way, there are also some critical evaluations at issue of its assumption of the obsolescence of the old social democracy

characterised by the Keynesian welfare period. Pierson (2001: 473) asserts that the Third Way declares the bankruptcy of traditional social democracy “too quickly” through reducing it to a “caricature”. That is to say, the Third Way critique of traditional social democracy based upon its equalisation of Keynesian welfare state, which is, too, held from a simplistic view. Pierson maintains that Keynesian welfare state does not simply refer to the “government deficit spending to sustain full employment” as the Third Way tends to present, but should be understood as the “government intervention in economic life in recognition that markets are not self-constituting nor always maximally efficient”.

Considering the critique by Pierson, it should be noted that the Third Way admits that the markets are not self-ruling and this is the very core of the Third Way thought that defines the market, civil society and state as complementary. In this sense, it would not be a fair criticism to say that the Third Way fails to recognise that “markets are not self-constituting”. Yet, while recognising that, the Third Way associates the market mechanism with democratic order in addition to its supremacy upon any alternative in creating excessive benefits owing to its dynamic character. To put it differently, besides being admitted as the only alternative, i.e. inevitable, the market is maintained as a pre-requisite of democracy within the Third Way model in which deficiencies of market are compensated by the civil society and the state. Then, the criticisms arguing that the Third Way attributes to the market mechanism pre-given efficiency and a democratising force seems more appropriate than maintaining its failure to consider that market is not self-regulating. Furthermore, the Third Way offers to apply so-called market characteristics, such as competitiveness, flexibility and efficiency, to the state as well as to the individual lives. Such aspiration assumes that those values and mechanisms are both inevitable and also full of opportunities. In other words, the Third Way attempts to persuade not only to the inevitability of market but also to the opportunities it provides, as pre-given facts. These points raise the critique of the Third Way for proposing a market society as the New Right has done.

Cammack (2004: 155-156) holds that not only the view of social democracy but also the account of socialism that the Third Way states is a caricature. According to that, historical experience of Soviet Union is presented as the bankruptcy of the socialist thought which is equalised with ineffectiveness, unreflexive-ness and thus, with outdated views. The arguments on social democracy share the same distorted fashion, for Cammack. Giddens' caricaturising view of social democrats claims that they are "shy of taking responsibility for their own lives, passively dependent on the state and embracing collectivism as a safe refuge from responsibility and mutual obligation" (ibid: 156). Furthermore, the account of neo-liberalism in Giddens' framework, too, suffers from distortion. Giddens confuses neo-liberalism with laissez-faire liberalism, in a sense, to differentiate his theory from neo-liberal position (ibid: 163).

Another vital premise of the Third Way that is highly criticised is the bankruptcy of class politics following the individualisation of class identity itself. According to this premise, the technological developments that have given rise to the decline of the labour-incentive manufacturing, to the hegemony of speculative over the productive capital and to the changes in division of labour in the sense of production space have resulted in "decline in demand of unskilled labour and growing premium for marketable skills" (Pierson 2001: 461). At the same time, the demand for skilled labour in service sectors is increased. The changing conditions are supposed as the proofs of the invalidity of the class based analysis since the society is no more characterised through class divisions. Since the collective class identity is no more viable (Giddens 1994b: 143), the Third Way rejects the class-based politics, in essence, the "class" is replaced with the "civil society" which is also defined through a complementary relationship with the market, as well as the state.

However, considering that "class" is not a static category, but a social relation that continuously re-constructs itself (Yalman 1999: 62), critics denote that what all those changing conditions display is the *recomposition* of the class, rather than its disappearance (Miliband 1985: 9). In the sense of class politics, it is noteworthy that the current weakness of the working class organisations is taken-for-granted,



too. Yet, Crouch (1999: 72) denotes that continuously changing composition of the classes gives rise to changes in class politics which makes the increases and declines in class politics just like a “parabola”. In essence, as Petras points out, the current weak position of the working class movement within such a parabola itself is a result of deliberate policies, in a sense, reflects the means of class struggle. He suggests that:

Contrary to (the Third Way) ideology [end of class struggle], a sustained and far-reaching class struggle from above has been engaged in and has successfully weakened labour, diminished trade union membership, reducing living standards, worsened working conditions, and strengthened ruling-class control over the state and its allocation of expenditures and collection of tax revenues (Petras 2000: 31).

Then, Petras underlines that the “winners and losers” of the period explicitly reflect the class-based character of capitalism, which are conceptualised in terms of social exclusion and inequalities based on knowledge and skill, in the Third Way theory. As it will be mentioned in following sections, this is the essence of critique of the Third Way for contributing to a class-project, i.e. interests of global capital, just as New Right has done, despite of its claims of “end of class politics”.

Supposing that the class struggle is over provides the ground for another chief presumption of the Third Way: there is nothing “antagonistic” within the society and all old antagonisms or dichotomies can (and should) be replaced with “complementary” redefinitions, and thus, the consensus within the society can be achieved.

### **3.2. Is Third Way Something *New*?**

Since one of the main claims of the Third Way is being totally new, most of the criticisms focus upon that it is not new, but a part of the process of transformation of the social democratic political line beginning from late 1970s. Moreover, far from embodying new thoughts, the main concerns of the Third Way project originate from the old theoretical positions which result in an eclectic combination

in the Third Way theory and practice. It is also argued that the Third Way proposals signify a shift in social democratic agenda towards right politics and in this sense displays continuity in the neo-liberal assumptions, as well as policies that the New Right governments have put in practice. The following sections are devoted to these arguments discussing to what extent the Third Way is new.

### **3.2.1. The roots of change**

Many commentators agree on that the Third Way does not refer to a “dramatic shift” but displays continuity in the transformation process of the European social democracy, in general, that has re-oriented itself to the “changing conditions” beginning from the 1980s or even by the late 1970s. In this sense, on the one hand the dissatisfaction with the real socialism, on the other hand the fiscal crises of the welfare state in Western capitalism, which would be resulted in the triumph of neo-liberalism by the 1980s, have induced the social democrats to review their positions and basic proposals. It can be argued that this attempt for re-construction of social democratic movement, has been embodied in two main ruptures from the traditional social democratic thought: renouncement of class politics and abandonment of the hesitant approach to the market mechanism (Miliband 1985: 8; Sassoon 1996: 733). In this sense, the dissolution of the Soviet Union at the beginning of the 1990s paves the way for the acceptance that the socialist theory, as well as the socialist practice, has bankrupted and that proves the ascendancy of the market based economy over planned economy and capitalism over socialism (Novak 1998: 1). In so far the socialism is no longer provides an option, the main concern of the social democrats, as it has been the case in the New Labour in Britain, becomes on the forms of capitalism.

The old debate between capitalism and socialism is over, but (...) lively debates are now in progress over the forms of capitalism and their ethical and moral underpinnings, and over the cultural and ethical prerequisites of a sustainable market order and a successful capitalist enterprise (Marquand 1997: 79).

According to Sassoon (1996: 734), such a shift in the basic aspiration of the social democratic movements denote “neo-revisionism” which is characterised with the appreciation of the market to be regulated by legislation, not by state ownership, and the aim of achievement social justice within capitalism. Moreover, neo-revisionism signifies diminish of the primacy of the working class and its organisations in social democratic politics. In this respect, the primacy of the working class is, in a sense, replaced with the greater concern devoted to the “consumers” (Sassoon 1996: 735). According to Sassoon (1996: 692), the welfare state period has indicated a reconciliation of socialism and capitalism on social democratic terms. In this sense, the concerns embodied in the neo-revisionism of the late 1980s designate the establishment of “the new ideological consensus of European social democracy”, that is, the second reconciliation, but this time, on *neo-liberal* terms. In essence, since the social democracy is characterised through its co-existence with capitalism (Sassoon 1996: 766), it has to revise itself according to “endlessly mutating capitalism” (Marquand 1999: 10).

It can be argued that what is at stake here is the fact that the new version of capitalism, that is, neo-liberalism such challenge that the chief arguments of social democracy on class politics and democratic rights become obstacles to social democracy to relocate itself. However, for some, given that the social democracy has to transform itself in order to survive, there is no peculiarity in shifting to the market-oriented strategy and it is unreasonable to insist on its old strategies such as the historical connections with the working class organisations (Gamble and Wright 1999: 2-4).

In this sense, the revision of European social democracy in neo-liberal period denotes a general tendency that reflects on the reform attempts within the social democratic parties in the late 1980s, that is to say, earlier than the application of the term third way. In this sense, the former attempts to create a “new” Labour Party that is the prominent figure of the Third Way politics, displays continuity with the reforms achieved under the leadership of Blair. As Chadwick and Heffernan (2003: 12) point out, although the period of Blair has been radical in the sense of concretising that “there was to be no going back”, the New Labour

defined through the Third Way was the product of a gradual process. In this respect, the Party had already adapted itself to the new era through obtaining a market-friendly approach and declaring its commitment to the neo-liberal policies of Thatcher period such as privatisation, constraining the right of strike, as well as collective bargaining, and public expenditures (Chadwick and Heffernan 2003: 11; Yalman 1999: 60). Alongside the “affirmation of the principles of the market economy”, the Party had also realised reforms in its organisational structure towards a more centralized party, and more importantly, had abandoned the traditional alliance with trade-unions by diminishing their power within the Party through block vote<sup>20</sup>. Therefore, two key features of the transformation of social democratic movement, the renouncement of the class politics and affirmation of the market economy had already acknowledged by the Party, before the period of Blair. It may be argued that the re-orientation of the Party is complemented by changing the Clause Four of the Party code that declares the “common ownership of the means of production” as an aspiration of the Party. It is for sure that the clause was nothing more than a symbol, however the removal of it in 1995 can be seen as an attempt to depurate the Party from its old socialist associations. It is also meaningful that the new Clause Four involves the key themes of the Third Way that are thought to provide the new base of social solidarity:

(to create) the means to realise our true potential and for all of us a community in which power, wealth and opportunity are in the hands of the many not the few, where the rights we enjoy reflect the duties we owe, and where we live together, freely, in a spirit of solidarity, tolerance and respect (cited in Peters 2004: 631).

### **3.2.2. Combining Old Elements**

The suggestion that the Third Way combines the arguments of different theoretical positions paves the way to the criticisms of the Third Way for being not only pragmatic but also eclectic (Powell 1999: 287). In this respect, it is

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<sup>20</sup> These reforms had been achieved under the leadership of Neil Kinnock (1983-1992), who was the “architecture of the ‘New’ Labour Party” (Yalman 1999: 59) and of John Smith (1992-1994).

argued that the Third Way combines different, even irreconcilable, features: autonomy and solidarity, rights and responsibilities, equality and liberty; "Old Left's emphasis on social justice and New Right's emphasis on economic efficiency", "economic liberalism and social conservatism" (Dean quoted by Powell 1999: 287); "liberalism's emphasis on individual autonomy and communitarianism's requirement for responsibilities" (Driver and Martell 1998: 177). Put it differently, the Third Way arguments root in "liberal (equality of opportunity) and communitarian (protection of community from negative affects of individualisation)" traditions (Merkel 2001: 53). Similarly, Freedon ([1999] 2003: 48) holds that the Third Way locates between "three great Western ideological traditions –liberalism, conservatism and socialism". Yet, Driver and Martell argue that this does not provide a well synthesis, but just aims at 'managing' the existing oppositions. In this sense, the Third Way is neither radically new nor *beyond Right and Left*:

Rather than a synthesis or transcendence of opposites into something new, this is a balancing of opposites, an attempt to combine them into interdependence with one another or mutual reciprocity --a balance of the old rather than surpassing them. So the new politics is a management of the old opposites: both are still there in tension with one another (Driver and Martell 1998: 178).

On the other hand, one of the most common criticisms directed at the Third Way denotes that it is not the Third Way which attempts to combine those elements with each other at the first time. As Ryan (1999: 77) argues, this idea had been proposed by "New Liberalism" at the beginning of 20<sup>th</sup> century and the Third Way signifies just a 'reversion' to this 'old' idea. Just like Ryan, Wallace (1998: 18) draws attention to the similarity between the New Liberalism, the political movement emerged in 1920s and 1930s, and the Third Way, although the latter does not seem to admit explicitly such, at least, an inspiration.

The focus on the symbiotic relationship between a strong civil society and an active state echoes the 'New Liberalism' of T.H. Green and Henry Hobhouse –though Third Way theorists, who seem to have read nobody published before the 1960s, don't acknowledge such roots (Wallace 1998: 18).

The ironic expression of Wallace denotes that the Third Way's claim to provide a radically new political understanding that is suitable to the radically new conditions of the today's world is a weak argument, if not a distortion, based on the ignorance of older theoretical positions arguing in the same way. It is also interesting that the Liberal Democrats in Britain have interpreted such a parallelism between the arguments of New Liberals and the principles of the Third Way as something more than an inspiration<sup>21</sup>: "(W)e could see the Third Way as a threat –someone trying to steal some of our clothes, or at least, our place in the political marketplace" (Stockley 1998: 33).

According to Newman and de Zoysa (2001: 116), the response of the New Right or conservatives to the rise of the Third Way has also been the evident of such a parallelism in their key arguments. Since the Third Way signifies a change in principles that are historically associated to the left and replaces the themes such as class war, public ownership, nationalisation with an emphasis on the individual, enterprise and market that are historically associated to the right, the Right has had no chance to criticize the "ideology" of the Third Way. That is to say, the Right could not generate a critique of the Third Way for the themes it began to voice, due to the fact that those have always been the very concerns of the Right itself. For the authors, the Right has perceived as "the Third Way has been stealing their clients as well as their clothes" (ibid: 116).

There is another political movement that feels that its "clothes are stolen". It is the *Third Way Party* formed with the claim of representing an alternative way to both state socialism and capitalism in 1990 in Britain. Harrington (2000: 4-5) criticises the Third Way formulated by Giddens and Blair for not being a genuine alternative way. On the other hand, Cammack holds that it is neither the new nor neo-liberalism, nor any other political formation, but the social democracy itself whose clothes are stolen by the Third Way. The proposal is not to offer a social

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<sup>21</sup> It is noteworthy that Liberal Democrats criticises the Third Way for ignoring the poverty and inequalities, as well as the social rights which are necessary for the "life chances" (Grayson 1998: 38). Wallace (1998: 20) notes that the critique they provide ironically may "sound more left wing than Labour".

democratic alternative to neo-liberalism, but to legitimise neo-liberal policy by clothing them in the vocabulary of social democracy (Cammack 2004: 154).

### **3.2.3. The Question of Ideological Coherence**

One of the pre-eminent critiques of the Third Way is about its emptiness in the sense of saying nothing while attempting to “involve the all”. This is argued to be a result of the articulation of different, even contradictory, elements in order to be "applicable to all situations and pleasing everyone instead of being a coherent body of thought and a potential for political action" (Newman and de Zoysa 2001: 213). Thus, the Third Way is criticised for generating a “catch-all rhetoric” at the expense of theoretical and political coherency.

Similar to that criticism, Hall (1999: 148) argues that the Third Way has an ambiguity owing to its claim of pursuing a "politics without enemy" and its attempt to involve everyone within the society while at the same time declaring to be radical in modernising the society. Hall evaluates this duality as a sign of the "lack of seriousness" of the Third Way as a political project.

Such critical evaluations underlining the pragmatism of the Third Way reinforce the questions on its ideological coherence. According to Harris (quoted by Newman and de Zoysa 2001: 114-117), the attempt to reconcile dichotomies allows the Third Way to “permanently shift” as a result of its devoid of any stable principle. For some other critics, this creates “expectations that cannot be fulfilled”. In this sense, the Third Way politics is characterised with its “pragmatism” and “flexibility” -two keywords of the Third Way politics- that allow it to adapt itself to the changing positions (Newman and de Zoysa 2001: 100). This is why Powell (1999: 287) calls New Labour as "post-ideological." According to him, "it does not seem to be based on a clear ideology or a 'big idea' like the Old Left or the New Right --the big idea is there is no big idea." On the other hand, Wallace points out that while combining various elements from

various theoretical positions, the Third Way emerges as a hegemonic project that seeks to construct its own “language of politics”:

The Third Way, in Britain and in the USA, co-opts into the language of politics many of the buzz words of progressive social science: globalisation, cosmopolitanism, the risk society, social capital, social exclusion, the social investment state, the democratic family. These it mixes with others, picked up eclectically from different sources: modernisation (...), solidarity, the reinvention of government, social entrepreneurship, the Third Sector (of voluntary organisations), public/private partnership, and above all rights and responsibilities (Wallace 1998: 16).

Similarly, Grayson (1998: 14) states that although it was a much more pragmatic strategy that randomly chose and adopted some themes to itself, the Third Way politics could achieve a more coherent ‘skeleton’ that Giddens’ theoretical texts provided. In the sense of New Labour, Freedon ([1999] 2003: 43) asserts that Blair “did not deny the existence or importance of ideology” but indicated the necessity of revision of old ideological position of the party which was too narrowly characterised with the state ownership. In this respect, this “out of date” ideological concern had to be changed and followed by a reorganisation of the party. Freedon denotes that such an ideological refoundation has already achieved, at least partially, by the revision of Clause Four in 1995, before the theoretical redirection towards the Third Way.

On the other hand, Driver and Martell (1998: 181) assert that, the Third Way *is* ideological, from the very beginning. Similar to Sassoon, they maintain that the period in which the Third Way *or* New Labour has been born is characterised by the “new consensus” upon the free market economy, abandonment of welfare state and ‘conservative moralism in social policy’. Thus, both the general consensus upon neo-liberalism and its reaction against Thatcherism has characterised the New Labour. In this sense, the New Labour is not post-ideological, but embodies the political and ideological line of *post*-Thatcherism:

It is defined by, but departs from, Thatcherism--moved to the right but with anti-Thatcherite emphases. New Labour's politics are defined both by Right and by leftwards inclinations which are



beyond old Left. These are the politics of post-Thatcherism (Driver and Martell 1998: 184).

It is interesting that while the critics focus on the pragmatic nature of the Third Way being lack of ideological coherence, the prominent figures of the Third Way politics explicitly advocate such a position. According to that, as a result of changed conditions of the world, the “dogmas of left and right” become totally out of concerns of the ordinary people. In this sense, people do not seek for ideological statements but for the practical solutions to their problems and the “social democrats must be able to speak to those people” (Blair and Schröder [1999] 2003: 110). Considering the critique of old social democracy for being “too inflexible”, flexible politics can also be counted among the targets of the Third Way. In this respect, flexibility is not considered as being free of values; on the contrary it is suggested to be one of the means to achieve the commitment to social justice and other targets (Blair [1998] 2003: 28). On the other hand, pragmatism is appreciated as the way to generate real solutions in practice.

In this newly emerging world people want politicians who approach issues without ideological preconceptions and who, applying their values and principles, search for practical solutions to their problems through honest well-constructed and pragmatic policies (Blair and Schröder [1999] 2003: 111).

Yet, considering the pre-supposition of efficiency of market mechanism as a general rule, the so-called pragmatic policies do not involve any hesitation towards the market even in the cases of inefficiency. Shaw (cited in Martell 2004: 5) underlines that given the inefficiency of the private firms in public services, the Third Way’s advocacy of the market is ideological, rather than pragmatic.

It may be concluded that although the Third Way defines itself as an attempt to modernise centre-left or social democracy; not only its radicalism to separate itself from the “old left” but also its attempt to define “old dichotomies” as complementary, just like the aspirations of right and left, provides it the ground to present itself as the political address for larger sections, if not the all, of the

population<sup>22</sup>. In essence, it is the “big idea” that the Third Way proposes: former antagonisms can and should be transcended.

#### **3.2.4. Coincidence With Neo-Liberalism**

Although the Third Way claims to pursue a centre-of-left project aiming to revive the social democracy, it redefines the left as having certain values in favour of an inclusive society to be generated by common responsibilities of the actors in state mechanism, market and civil society. Centrality of the global market in the Third Way principles, appreciation of the competitiveness as a market feature and promotion of it in the public administration as well as in the individual lives, truly give rise to the criticisms about the market-oriented approach of the Third Way. In this respect, it is argued that the Third Way, just like the New Right, re-formulates the state-society relationship on the base of the needs of market, although the formula displays some differences from the New Right's, owing to the changed necessities of the market. Despite of such a difference in the model, it is argued that the intention is the same: re-organising the social relationships according to the needs of the market.

(The Third Way) aims to make the population fit for global capital; there are no equivalent plans to make capital adapt to the needs of the population (Crouch 1999: 70).

The conceptualisation of inequality provides a good example. As Merkel (2001: 53) points out, great income inequalities become out of concern in the Third Way approach, while the voluntary and involuntary exclusion are criticised. This is closely related with the issue of seeking for a new base of social solidarity constructed upon competitive market that is elaborated in following sections. Then, the market, just as in the cases of globalisation and reflexivity, is taken for

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<sup>22</sup> In the case of New Labour, Heffernan (2003: 51) notes that the party presents itself as a party of centre, not of left. Indeed, it is what Giddens advises to New Labour: “Labour must continue to situate itself firmly on the centre ground of politics, and avoid defining itself as a party of sectional or class interests” (Giddens 2002: 30).

granted and welcomed due to its so-called dynamism creating excessive benefits<sup>23</sup>. In essence, it can be well argued that whole the theory is constructed upon those dynamics -globalisation, social reflexivity and competitive markets— which shape today’s conditions and produce opportunities. Such appreciation of global market as an economic system historically having no alternative as well as no rival in its efficiency and as a democratising force, for some, denotes the main divergency between traditional social democracy and the Third Way. In essence, such a rupture makes the Third Way a project locating in the right, rather than belonging to left, through “expressing the world-view of the multinational corporate sector” (Faux quoted by Harrington 2000: 20). As Scanlon states:

For all their limitations, the social democrats of the early twentieth century understood the deficiencies of the market and the need to restrain it. Thus far, the proponents of the Third Way have demonstrated an unwillingness to criticise, much less challenge, the logic of the global market. (...) This is to suggest, by way of conclusion, that the Third Way is not simply the pursuit of social-democratic objectives by other means, as its proponents insist, but a recalibration of social democracy to the requirements of global capital which, in its acceptance of the parameters of existing political debate, represents more of a jump to the Centre-Right rather than a step to the Left (Scanlon 2001: 496).

In the sense of the social democratic parties embodied the Third Way understanding, similar to Scanlon’s account, Petras (2000: 30) asserts that they do not pursue the social democratic concerns any more, but represent a new right wing politics. In other words, for Petras the Third Way denotes “a dramatic shift from reformist socialism and welfare capitalism to neo-liberalism”. Furthermore, it provides a ground for the New Right to reproduce itself through masking its very continuity in the Third Way (Petras 2000: 34). In this respect, Merkel (2001: 73) points out that the reflections of the Third Way theory into the policies that New Labour has pursued display continuity with the New Right period. Similarly, Morrison (2004: 176) notes that the Third Way maintains a neo-liberal agenda

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<sup>23</sup> Moreover, in some cases, the Third Way politicians mention on the indisputable power of markets: “If the markets don’t like your policies they punish you” (Blair quoted by Harrington 2000: 14).

which makes its break with Old Labour is a genuine one, while Beer (quoted by Newman and de Zoysa 2001: 119) refers to the New Labour period as the “consolidation of Thatcher era”. On the other hand, Driver (cited in Leggett 2004: 188) insists on that New Labour pursued a social democratic agenda with its primacy on “economic growth, high levels of employment, well-funded public services and to alleviate the inequalities of the market through modest redistribution”. Another advocate of the Third Way, Le Grand (2003: 137) asserts that the main difference of New Labour compared to the New Right politics is that: “the [Labour] government clearly believes that the individualistic competition of the Thatcher years was socially destructive, and that it needs to be replaced by a spirit of co-operation and consultation”.

This notice by Le Grand denotes an essential point considering some other critics that differentiates the Third Way not from neo-liberalism, but from its first phase embodied in New Right politics. In this respect, Jessop (2003) states that the Third Way embodying the “second phase” of neo-liberalism has taken “the neo-liberal transformation a step further”. Similarly, Cammack draws attention to that Giddens’ attempt for differentiating the Third Way from neo-liberalism depends upon a distorted view of neo-liberalism by equating it with *laissez-faire* capitalism. Yet, in reality, neo-liberalism needs a strong and active state in order to provide an appropriate framework for markets to flourish. In this sense, in neo-liberalism, state pursues certain policies and is active, but only in some aspects such as providing the necessary conditions for the market. In essence, this is what Giddens asserts, too.

(Giddens) equates neo-liberalism with an exclusive reliance on unregulated market forces – in other words with *laissez-faire* liberalism. However, if social democracy, is seen as looking to an active state to block or moderate the dynamics of capitalist reproduction, while neo-liberalism looks to such a state to restore and maintain the conditions within which the logic of capitalist reproduction can work to the full, his position is unambiguously neo-liberal (Cammack 2004: 152).

Thus, for Cammack, the Third Way is not an “innocent manifesto” for the renewal of centre-left but a systematic attempt to legitimise and consolidate a new centre-

right politics. The state, in the Third Way account, should regulate the market but not to moderate its destructive impacts, on the contrary, “to bring its logic to bear on all aspects of existence”. In this sense, the social democratic concepts articulated by the Third Way are re-defined in line with the market-friendly individualism of neo-liberalism. Hence, the Third Way replaces solidarity with individualism, emancipation with responsibility, security with risk, community with enterprise, redistribution with opportunity, equality with inclusion and welfare with self-help (Cammack 2004: 153-158).

According to Petras (2000: 34), the Third Way reproduces neo-liberal policies but with “a new ideological gloss”. On the other hand, Cammack insists that the Third Way constructs itself in coincidence with the “second-phase” of neo-liberalism, i.e. a new centre-right politics<sup>24</sup>, which is embodied by the international organisations, through attaching a social democratic face to the neo-liberal content. Indeed, although Petras seems to reduce the Third Way to a simple ideological support for neo-liberalism, what Cammack underlines is a real similarity between the so-called “post-Washington Consensus” and the Third Way principles.

### **3.3. Locating the Third Way**

#### **3.3.1. Parallelism with the “Post-Washington Consensus”**

It is clear that the international organisations, such as the World Bank, International Monetary Found (IMF), Organisation for Economic Cooperation and Development (OECD) and many others, have, at least an influential status over

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<sup>24</sup> For Morrison (2004: 178), New Labour adapts capitalistic communitarianism to neo-liberalism. Yet, he insists on that Blair’s version of Third Way is a selective transfer of Giddens’s themes, only the ones that are consistent with Blair’s framework that he has developed earlier. In other words, “it was only the name of the Third Way that was new in 1998” for Blair (ibid: 181). However, saying that Morrison attributes originality to Giddens’ project much more than it has as if it has no predecessor thought. On the other hand, Cammack (2004: 154) considers Giddens as the “organic intellectual of Blair’s regime”, by referring to Gramscian theory.

the economic and political agenda, as well as over the social policies that national governments maintain. Such influence is best reflected in those organisations' role of defining standards for economic policies to be sustained by governments in order to deal with the social and economic problems in their countries. In other words, the international organisations have an enormous impact on the definitions and proposed solutions of the problems that, mainly, the developing or under-developed countries are facing with<sup>25</sup>.

The policy agenda that those organisations have maintained from the late 1970s to the early 1990s was composed of the measures that are known as the neo-liberal policies and the compromise over those policies would be entitled as "Washington Consensus"<sup>26</sup>. The consensus over the neo-liberal policies such as trade and financial liberalisation, privatisation, deregulation and withdrawal of the state from its former roles of providing public services and social security mechanisms in the welfare state period has been advocated for being the most effective way to achieve the rapid economic development (Williamson 2000: 254) and proposed as the only alternative by the New Right oriented governments. However, the early implementation of neo-liberal policies has resulted in social miseries, mainly unemployment and poverty, and successive crises in vulnerable economies that have given rise to the criticisms of the Washington Consensus for its "ignorance

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<sup>25</sup> Mahon (2005: 1-8) attributes such a role specifically to the OECD, yet, it can be held as a general argument to evaluate the impacts of other international organisations that they gained through the various means such as country reports and various publications. In essence, considering the credit mechanisms that the international financial organisations such as the World Bank and IMF have led, their "impacts" goes well beyond to drawing influential policy frameworks and denotes a control mechanism over the less developed countries through the structural adjustment programmes. As Taylor (1997: 145) points out, "Half the people and two-thirds of the countries in the world lack full control over their own economic policy" which is mainly shaped by the "experts" of the World Bank and the IMF.

<sup>26</sup> John Williamson, who is the inventor of the term, proposed ten policies underlying the consensus over the economic measures needed by Latin American countries in 1990. These were: fiscal discipline, redirection of public expenditures (to primary education, primary health care and infrastructure), tax reform, interest rate liberalisation, competitive exchange rate, trade liberalisation, liberalisation of inflows (of foreign direct investment), privatisation, deregulation (to abolish barriers to entry and exit) and secure property rights (Williamson 2000: 252-253).

of the social dimensions” and for its commitment to the “market fundamentalism”. In this respect, the institutional actors of the Washington Consensus have reviewed their arguments with an awareness of the necessity to concern with the “social dimensions” of the economic development (Jayasuriya 2005: 2). This new orientation or the attempt to include social dimensions can be followed in the changed rhetoric of the World Bank at some key areas such as the roles proposed for the state, the new definition of the governing mechanisms through the “governance”, the increased emphasis over the “institutions” and attributed vitality to the “social capital”. Yet, the attempt to go beyond the Washington Consensus, which is entitled as “post-Washington Consensus”, has also been criticised for modifying the neo-liberal project through bringing it a “human” face that enables it further dissemination into the social life. In this respect, the Third Way shares the arguments composing the “post-Washington Consensus” as well as the criticisms directed at this new agenda<sup>27</sup>.

It can be argued that the so-called post-Washington Consensus re-defines the roles of the state based on the understanding of “complementary relationship between state and market” while the basic features of the neo-liberal project, that is embodied in the Washington Consensus, are unquestioned. In other words, the new agenda maintains that the role of the state is vital in order to achieve the targets defined in the Washington Consensus, as well as to cope with the problems emerged as the social cost of neo-liberal policies. Thus, the state is appreciated as an “effective actor for sustainable development and the reduction of poverty”, if only it plays a “catalytic, facilitating role, encouraging and complementing the activities of private businesses and individuals” rather than being the direct provider or gaining a “minimal” role in the development process (Wolfensohn 1997: iii). In the World Development Report of 1997, that is, *The State in a Changing World*, the World Bank provides the framework for such effective state performing its “core functions” properly. According to the Report, the necessary

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<sup>27</sup> Keyman and Öniş (2004: 1) argue that “Indeed, the so-called ‘post-Washington Consensus’ that is currently dominating the agendas of these institutions [EU, World Bank and IMF] and their reform proposals is a clear manifestation of Third Way thinking”.

“rethinking” of the state should be focused on two aspects that are the awareness of the capabilities of the state, which entails concentration of its resources to the fundamental functions, and the insistence on the reforms to raise those capabilities, which implies the reorientation of the state institutions towards a more competitive and efficient manner (WB 1997: 3). As it is argued:

Development –economic, social and sustainable- without an effective state is impossible. It is increasingly recognised *that an effective state –not a minimal one- is central to economic and social development, but more as a partner and facilitator than as director. States should work to complement markets, not replace them.* [A historical record shows that] the importance of good economic policies, well-developed human capital, and openness to the world economy for broad-based sustainable growth and the reduction of poverty. [...] the importance of building on the relative strengths of the market, the state and the civil society to improve the state’s effectiveness. This suggests a *two-part strategy of matching the role of the state to its capability, and then improving that capability* (WB 1997: 18 –emphasis added).

In this sense, the main feature of the new agenda that the World Bank adapts itself can be considered as a new conceptualisation of the state and society relationship. The formulation of such fundamental point by Stiglitz, the former chief economist of the Bank who is currently criticising the Washington Consensus, provides an illuminating account of the “new consensus”<sup>28</sup>:

[The new agenda] sees the government and markets as *complementary rather than substitutes*. (...) in some circumstances, the new agenda sees government as *helping to create markets* (...). In other areas (such as education), it sees the government and the private sector *working together as partners*, each with its own responsibilities. And in still others (such as banking), it sees government as *providing the essential regulation* without which markets cannot function. And behind all of this lies a special responsibility for government: *to create the institutional infrastructure* that markets require in order to work effectively (Stiglitz 2001: 346 –emphasis added).

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<sup>28</sup> Rodan (2004: 3) states that Stiglitz is the “principal articulator of the post-Washington Consensus”. On the other hand, Williamson (2000: 263) criticises Stiglitz for assuming a present consensus which does not exist.



Stiglitz (2001: 349) also points out that the needed “regulatory redesign”, instead of the “deregulation” as in the case of the Washington Consensus, can be achieved through the effective state and the effectiveness of the state is up to its capability to adopt competitive mechanisms that enable the state to “perform as effectively as private firms”. The emphasis over the institutional reforms is kept on and detailed in successive reports and publications of the World Bank. In one of those publications, that is “Beyond the Washington Consensus: Institutions Matter” (Burki and Perry 1998), it is stated that the Washington Consensus has ignored the essential role to be played by the institutions in the process of development, in so far as they are reformed through new understandings that the “new institutional economics” and “new public management” approaches provide. In this respect, the institutions should be seen as “the rules that shape the behaviour of organisations and individuals in a society. They can be formal (constitutions, laws, regulations) or informal (values and norms)” and reforming agenda should mainly concentrated on the four key sectors that are “finance, education, justice and public administration” (Burki and Perry 1998). Specifically at issue of public administration, the authors advise to adapt a new understanding in the public sector based on competitive structures, managerial discretion and performance contracts, in line with the principles that the new public management school suggests. In other words, the proposal of “enhancing the institutional capacities” involves the promotion of competitive mechanisms *and* cultural incentives both within the social relations and the public sector.<sup>29</sup>

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<sup>29</sup> The aim underlying the emphasis over the “good institutions” that to make markets work well can be observed in the title of the World Development Report 2002: “Building Institutions for Markets”. In the foreword of the Report, Wolfenshon, the president of the World Bank at that time, explores the main theme of the Report as “a natural continuation of last year’s Report, which demonstrated that *markets are central to the lives of poor people*, that institutions play an important role in how markets affect people’s standards of living and help protect their rights. This Report identifies *how institutions can promote inclusive and integrated markets*, and ensure stable growth and thus dramatically improve people’s incomes and reduce poverty.” According to Rodan (2004: 4) what is pursued here is the neo-liberal idea asserting the market as *the core institution* of the society. In this sense, within the framework of the post-Washington Consensus, “institutions are needed to regulate the market for its own good.” (ibid: 5).

In this sense of the core functions of the state, it is maintained that the state should be responsible for generating effective rules, promoting competitiveness in the market and in its own institutions, protecting the most vulnerable --that is to say, “helping only the poorest in society”, and for enabling citizens to be involved in local public affairs (WB 1997: 4-11). This is one of the essential features pointed out in the 1997 Report that underlines the necessity of “bringing the state closer to the people” referring to individuals, private sector and civil societal organisations within the society:

Encouraging wider participation in the design and delivery of public goods and services, through *partnerships among government, business and civic organisations*, can also enhance their supply. But, (...) effective participation requires enlightened government intervention, including improving the institutional environment in which *social and human capital* is created (WB 1997: 110 –emphasis added).

The emphasis over the participation, or more “inclusive environment” in the provision of public goods and services, is associated with the social capital which refers to the “informal rules, norms and long-term relationships that facilitate coordinated action and enable people to undertake cooperative ventures for mutual advantage” (WB 1997: 114). In this sense, local organisations defined in a way to include a large range of associations<sup>30</sup> are considered as valuable mechanisms in the sense of their ability to meet the basic needs and also “for the role they play in building trust and a sense of public connectedness among those excluded or alienated from the formal political process” (WB 1997: 114). Therefore, the local communities and NGOs, the components of a rich social capital of one society, should be generated and reinforced to achieve a more “participatory” process of provision of the public goods and services both in the sense of meeting the needs and also providing trustful, integrated social environment.

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<sup>30</sup> Such as worker cooperatives, farmers’ associations, parent-teacher associations, villagers, religious congregations etc.

It is in this sense that the World Bank's emphasis over the "social capital" displays a strong parallelism with the Third Way's account of communities as the base for social cohesion, in line with their potential "participatory" roles in generating social security mechanisms formerly provided by the welfare state. Both accounts conceptualise the social relations and human capacities as the components of prosperous markets, along with being the necessary social security mechanisms, in a sense, for the market failures. In this respect, the "social dimensions" are quite integrated to the competitive market order in a way that the social networks, as well as human skills, can and should contribute to the market's well functioning and undertake the burden of social security through the community based self-help mechanisms, and hence, generate the social solidarity<sup>31</sup>. In this framework, the human capital is another key concern that is essential to supply the market's needs of skilled labour through enabling individuals to adapt themselves to the competitiveness of the global markets. In other words, the Third Way arguments not only on the notion of regulatory state and the complementarity of state, market and civil society, but also on the functions attributed to the social relations and human capacities are the key components of the "new agenda" that the international organisations pursue.

The similarity between the "new agenda" or the features of the so-called post-Washington Consensus and the arguments of the Third Way has already been attracted notice in the on-going debate. Mahon (2004: 1-9) draws attention to the general shift in the agenda of the international organisations, which embodies a turn from the neo-liberal policies of the 1980s to a more "inclusive" strategy. That inclusive strategy is specifically composed of the greater role attributed to the

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<sup>31</sup> For providing social services in developing countries, the World Bank (2000: 145) suggests a "new partnership-based model for service provision that incorporates the dynamism of the private sector and community groups into public planning". It is argued that in the cases of "private sector does not respond to demand for essential services, communities have often organized themselves as providers". Such an argument can be considered as both a fixation of the reality and also a proposal for the resolution of the problems emerging as a result of the inadequate public services. Drawing attention to the various examples, the Bank proposes to "build on *traditional social capital*", that is to say to strengthen the communities, given that "(the research) indicate that community-based projects are directed to the poor and can improve service delivery" (WB 2003: 77).

state and the social policies that are focused on the concern for constituting more flexible and competitive labour markets. Elaborating the social policy agenda of the OECD (Organisation for Economic Cooperation and Development), the author denotes the parallelism between the common arguments that OECD, as well as other key international organisations such as the World Bank and IMF, maintains and the ones that the Third Way implies. As she suggests, seeking for the social solidarity is the central concern for such compromise on the new agenda:

The new social policy agenda is how to achieve social solidarity through enabling individuals and families to support themselves (OECD 1999:4). The new paradigm accords well with the Third Way's (economically) active, "empowered" citizens, and its emphasis on "welfare to work." It accepts a greater role for the state than is admitted in neo-liberal discourse but, in the new social policy agenda, states need to operate within the strict fiscal parameters established by globalisation (OECD 1999: 35) (Mahon 2004: 9).

The settlement over a more inclusive strategy is also evident in one of the key concerns of this "new agenda", that is, struggle against the poverty. In their study on the "poverty reduction strategy" that the World Bank and IMF has compromised on beginning from the late 1990s, Craig and Porter (2002) denote that this strategy can be "best seen as part of a 'Third Way' re-morphing of neo-liberal approaches" in order for providing the ideal conditions for international capital. In this respect, the poverty reduction strategy presents a "Third Way for the Third World". The authors draw attention to another feature of the inclusiveness of the Third Way thought, which they call as "inclusive liberalism", by emphasising the notion of human capital targeting the "disciplined inclusion of poor". In this sense, while the property distributions and power relations are totally out of the agenda, the strategy respectively concentrates on promoting opportunities, strengthening capabilities, facilitating empowerments and ensuring security through investing in human capital (and through social safety nets). Based on this framework, the notion of "participation" that lacks of political dimensions and aims the disciplining the poor by make them gain marketable skills, the "inclusion" of the new agenda also functions as a means of "risk management".

This more “inclusive” strategy, Cammack (2004: 152) argues, denotes a shift from the first phase of neo-liberalism (that is “neo-liberalism of Reagan and Thatcher”) to a second phase that re-defines the roles of the state “seeking to regulate capitalism not in order to soften its impact, but in order to bring its logic to bear on all aspects of existence”. Cammack (ibid: 165) argues that this is the agenda that World Bank and IMF pursues since 1990s and the original contribution of the Third Way is to “dress it up in the language of social democracy in an effort to broaden its appeal”. On the other hand, differently but not in contrast to that, Panitch (1998) evaluates the emerging consensus as the “social democratisation of globalisation” considering the “efficient state” that is the perspective the World Bank adapts and current social democratic movement has advocated for a while. However, for Panitch, the social democratic movement has already given up its old principles and oriented into an ideal of society based on the competitive principles, rather than cooperative ones. In this sense, it may be better to assert that the social democratic movement and neo-liberalism *has met at a common agenda* based on the complementary definition of the state and society relationship, as well as a particular understanding of citizenship appropriate to this model.

The changes in neo-liberal agenda, Jessop (2003) argues, displays that “neo-liberalism is an evolving project” that has most clearly reflected in the changing roles attributed to the state. In this respect, while the first implications of neo-liberalism was characterised with a process of “rolling back the state intervention”, it is followed by a concern with “rolling forward the institutional architecture” that refers to the new forms of state intervention in favour of the consolidation of the regime<sup>32</sup>. What is at stake here, for Jessop, the process denotes the policies for normalisation or “routinisation of neo-liberalism”.<sup>33</sup>

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<sup>32</sup> The same interpretation is hold by Peck and Tickell (cited in Jayasuriya 2005: 18) as “roll back and roll out” phases of neo-liberalism which refers to the deregulation and re-regulation respectively.

<sup>33</sup> In this sense, Jessop associates what differs in the political implications of the different phases of neo-liberalism with the extent of “inclusiveness” of the hegemonic strategies attempted to adopt.

In this respect, Jayasuriya (2003:2) evaluates such new phase embodied in so-called post-Washington Consensus as an attempt “to develop a political institutional framework to embed the structural adjustment policies of the Washington Consensus” rather than a departure from it. Accordingly, neo-liberalism goes beyond to be a policy set aiming economic liberalisation and deregulation, but emerges as a “political project that seeks to regulate the social in a way that is compatible with the market” (2005: 18). In Jayasuriya’s account, neo-liberalism as a political project is characterised with its attempt to further and reinforce an “inclusive and participatory market economy” that signifies the “socialisation of neo-liberalism”. In other words, what is currently seen in the proposals of the Third Way, as well as in the strategies of World Bank and EU, is the elaboration of the “social question” within the market (Jayasuriya 2005: 6). This is evident in the rhetoric of social capital or social inclusion and in the social policies that are subordinated to the market imperatives and oriented in to the creation of “new forms of sociability” which refers to the promotion of enterprising subjects and values with an aim of enabling individuals compete in market more effectively<sup>34</sup>. As he implies:

The most important aspect of this emphasis on social capital is the concern with the fostering of responsible agency reflected in the emphasis on norms, values, and conduct that enable individuals to manage the vulnerabilities and risks of the global economy (Jayasuriya 2003: 18).

Such market-oriented approach that Jayasuriya calls as “economic constitutionalism” embodied in the post-Washington Consensus (including the Third Way proposals) conceptualises the “participation” in a thoroughly technocratic manner and reduces it to a problem-solving mechanism. The whole rhetoric of community empowerment or social capital turns the social problems to the issues of social conduct so that the participation becomes a de-politicised notion where politics “is replaced by a search for consensus and technocratic

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<sup>34</sup> For Jayasuriya, the point is the promotion of “market citizenship” through the social policies that will be referred in following sections.

management of social conflict as problem-solving”. In this sense, while the burden of social cost, such as unemployment, is transferred to the communities or individuals, the so-called participatory governmental mechanism, that is *governance*, becomes a means of neutralisation of economic and social power structures (2003: 2-4). For Jayasuriya, this two-fold strategy underlies the mentality of the so-called post-Washington Consensus of which the political repercussions are embodied in the Third Way proposals.

### **3.3.2. Stakeholder Capitalism, Ordo-Liberalism, New Liberalism**

Whether it is eclectic or not, the content of the Third Way denotes very similar concerns with some other theoretical positions that are noteworthy. Considering the idea that the market economy should be complemented with social concerns in a way that enabling market work well and creating self-reliant individuals included in the market, it can be argued that, the Third Way has some “liberal” antecedents, along with its parallelism to the current dominant positions.

As it is denoted above, Jayasuriya (2003: 4) defines the common base upon which the post-Washington Consensus and the Third Way depend as *economic constitutionalism* that refers to “the attempt to treat the market as a constitutional order with its own rules, procedures, and institutions operating to protect the market order from political interference”. In this sense, both the state that gains a regulatory role and the civil society is re-structured in line with the aim of making market work well. While signifying a departure from the first phase of neo-liberalism that condemns state intervention to the market for being “unhealthy predatory impulses”, the current consensus on the economic constitutionalism comes closer to the “ordo-liberal” approach which appreciates the state action insofar it directs at the *aim* of promoting and facilitating the market economy (Jayasuriya 2003: 4; 2005: 9). In this respect, the strong state is needed both for providing necessary institutional and legal framework and also for creating an “ordered civil society” to promote entrepreneurial forms and values which the efficient market entails. In other words, the state intervention is justified but only

to the extent that it provides necessary conditions for the market and encourages certain conducts within the civil society<sup>35</sup> (2005: 10). On the other hand, in Jayasuriya's point of view, economic constitutionalism is also evident in the account of "New Liberalism" that attempts to resolve the social problems such as unemployment and poverty on the base of the individualism. The appropriate model of individual, for New Liberals, can only be achieved in its full sense through "property ownership" which enables individual to be a self-reliant and economically independent subject with ethical capacities so that he/she becomes a member of community. In this sense, the New Liberalism, too, justifies the state intervention to the extent that it oriented to the elimination of the obstacles to the creation of such empowered individuals. For Jayasuriya (2005: 13-14), this assertion of New Liberalism provides a strong parallelism with the "asset-based" social policy (or, in other words, 'investment in human capital' in the Third Way terminology) pursued with the aim of creating inclusive communities and markets. In this respect, given the ethical content of the property and the emphasis on the reciprocal obligations within the community rather than unconditional rights, New Liberalism and the Third Way move from a common aspiration that "combining an ethical understanding of rights with a commitment to the liberal market" (Vincent cited in Jayasuriya 2005: 14)<sup>36</sup>. In the sense of Blairite Third

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<sup>35</sup> Although there is a certain parallelism with the Third Way arguments, it is not for sure that whether the ordo-liberals consider the moral order as a necessary complement of the competitive market or vice versa. "All social, ethical, cultural and human values are more important than the economy, yet the economy must prepare the ground for their fulfilment (...) The constitution of the market economy must never overlook these moral considerations and the fact that man is in the centre of things. *Only a socially oriented market economy yields personal freedom and the opportunity for the realisation of the transcendental values*" (Rüstow quoted in Zweig 1980: 9 –emphasis added). It seems that ordo-liberal thought, at least Rüstows' account, locates the moral order at the centre while competitive market order is seen as the necessary condition of their realisation. Yet, in the Third Way understanding, the competitive market is the inevitable element that should be complemented with the moral order within the society. If it can be claimed to be a difference between two, then, the neo-liberal hegemony (under which the Third Way thought is shaped) that has concretised the supremacy of market can be stated as the underlying reason.

<sup>36</sup> In the case of the New Labour, Marquand (1997: 79) denotes that "there is growing agreement that *a sustainable market depends on non-market values*, capable of generating *an ethos of mutual loyalty and reciprocal obligation*; the economic success depends, in part, on *the social capital of mutual trust*, generated by a way of life involving *reciprocity*



Way, Marquand denotes the parallelism with what the New Liberals have proposed. According to Marquand (1997: 80) both two “seek to reconcile market allocation and capitalist property relations with social solidarity and just distribution”.

It is noteworthy that the defined framework is also shared by the current approach of stakeholder economy (and society) or *stakeholder capitalism*<sup>37</sup> that is defined mainly through the necessity of legal framework for market, corporate responsibility and social and economic inclusion. One of the advocates of stakeholder capitalism in British context, Will Hutton (1997: 3), states that rather than equality, “inclusion”, both in social and economic senses, had to be the chief concern of contemporary left. In this respect, the Third Way and stakeholder capitalism argue in the same way: “the Inclusion implies membership; you can not be included if you are not a member. But membership entails obligations as well as rights” (Hutton 1997: 3). Not only in the sense of combining rights and responsibilities or obligations, but also in terms of their approach to market economy that asserts the need for regulatory mechanisms, i.e. institutional bodies, in order to make market function appropriately, the Third Way and stakeholder capitalism are at the same camp. Both of the positions maintain, “a moral community can co-exist with a successful capitalism” as a response to the New Right experience that undermined social cohesion (Hutton 1997: 8). In other words, both can be thought as attempts to achieve social cohesion within capitalism<sup>38</sup>.

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and *mutuality*; that it is simplistic to imagine that ‘*individualistic*’ *Anglo-American capitalism* is the only capitalism on offer (...)” (emphasis added).

<sup>37</sup> The notion of “stakeholder capitalism” is used by referring to German model of “social market capitalism”, which is deeply influenced by the theoretical presumptions of ordoliberalism, in contrast to “shareholder capitalism” that is used to label capitalist model in Anglo-Saxon countries.

<sup>38</sup> Tony Blair had also used the term stakeholding for a while before entitling his political position as the Third Way. According to some, the changes in rhetoric of Blair that occurred several times are directly related with the *pragmatism* of the Third Way (Driver and Martell 1998: 175), while some others note that abandonment of the term stakeholding is the sign of Third Way’s fear of destroying the relations with the business

In this sense, as Jayasuriya (2005: 14) accentuates, what can be called as the aspiration of “moralised market”, or the “marriage of Communitarianism with market ontology” that the Third Way attempts to provide, is complemented with a model of citizenship located in a moral order. Within this framework, the “politics” becomes an issue of management and a sphere of consensus, which denotes the “politics of anti-politics” ignoring the social conflicts and retreating from pluralism (2005: 15).

### **3.3.3. Communitarianism**

As Giddens declares, the community is a fundamental theme in the Third Way thought. In essence, community is the main base for social solidarity, together with the family and the third sector that can be considered as voluntary communities. It is argued that the communities should be strengthened in order to prevent crime, to deal with poverty properly, and thus, to generate social solidarity. More importantly, the community is needed to help individuals for coping with their problems by themselves. Indeed, the community is the central category that the aspiration of reviving the civil society is constructed upon. Furthermore, the critique of welfare state and New Right is also partially based on the policies undermining the “community spirit” which denotes the mutuality of rights and responsibilities.

The fundamental positions that the notions of community, as well as the rights and responsibilities, occupy in the Third Way theory allow drawing parallelism with Communitarian thought that is mainly constructed upon these themes. In critical evaluations on the Third Way, it is specifically argued that two communitarian thinkers, Amitai Etzioni and John Macmurray, provide a theoretical source to the

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(Goes 2004: 114). It is noteworthy that Hutton (1999: 99) criticises the Blairite Third Way for “operating within the same political economy as the Right” without generating any critique of the capitalist system. On the other hand, Giddens (2000b: 34) criticises stakeholder model in Germany and Japan for suffering from cronyism due to the lack of transparency and openness.

Third Way theory, especially to Blair's thought (Grayson 1998: 9; Newman and de Zoysa 2001: 136). More generally, it is admitted that Communitarianism is one of the key approaches that Third Way articulates (Merkel 2001: 53; Driver and Martell 1998: 177).

However, considering the communitarian philosophers such as Michael J. Sandel, Charles Taylor and Michael Walzer, Hale (2004: 96) insists on that articulation of communitarian themes by the Third Way theory does not provide it a communitarian content due to that the Third Way defines them in different, even opposite, manners. Although there exist different accounts of the central categories that those thinkers hold<sup>39</sup>, Hale argues, it is sure that, the so-called parallelism between Macmurray's notion of community and the one Third Way proposes is a misleading one. It is due to fact that Macmurray conceptualises community through lack of interdependence, which creates "instrumental relationship" that diminishes humanity (Hale 2004: 99). Yet, the Third Way account of community, as it is mentioned before, completely based on "mutual interdependence". Indeed, the community is seen as a remedy to New Right's excessive individualism and an instrument to compensate the absence of welfare security, which is admitted as in favour of communities by another communitarian thinker (Taylor quoted by Hale 2004: 94). In other words, the Third Way's conceptualisation of community is instrumental, as Hale holds, "not the framework which provides us with our bearings, but is itself a means to an end". Thus, according to Hale there is no connection between communitarian philosophy and the Third Way thought, except the distorted themes.

On the other hand, the impact of American communitarian thought over the Third Way is an indisputable one. Labelling themselves as "new communitarians", they formed an initiative, "Responsive Communitarian Platform" by 1990s. The prominent figure of the American communitarians, Amitai Etzioni argues that the old communitarians emphasised the significance of the community and social

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<sup>39</sup> In essence, for the same reason Kymlicka (2004: 389) regards that entitling the theories of Sandel, Walzer, MacIntyre and Taylor under the same label of "communitarian" is confusing.

bonds as a respond to individualistic theories, and what new communitarians search for is a “*balance* between social forces and the person, between community and autonomy, between the common good and liberty, between individual rights and responsibilities” (Etzioni 1998: x –emphasis added). They move from the argument that the “excessive pursuit of one’s self-interest” diminishes the social networks without which no social, economic or moral order, including the market, can be maintained. As it is stated in the text written by the members of the Platform (1998: xxvi), the basic concern of communitarians is the “quest for balances among the institutions of state, market, and civil society” besides the balance between individuals and groups, rights and responsibilities. In this respect, the new communitarians accentuate that the supporters of one or the other sides of the “old opposition” between market and state fail to consider the “society, and the importance of social bonds and the moral voice” (Etzioni 1998: xii). Accordingly, both of the positions are individualistic that prevents them from generating “moral solidarity” for resolution of the problems, and they tend to draw a model of life without community, as if it is possible (Bellah 1998: 17). Then, new communitarians claim that the true model, or “the best form of human organisation” (Platform 1998: xxxv), is “responsive community” within which mutual respect and tolerance is achieved based on the developed moral values. Through forming active communities, then, aim of “restoring the moral voice” can be obtained insofar as the state intervenes into the social order only when those “subsystems” fail. In other words, every local community should deal with its problems by itself, through deliberation among its members. Thus, rather than attributing greater role to the state, “much of the social conduct is, that more ought to be, sustained and guided by an informal web of social bonds and by moral voices of the community” (Etzioni 1998: xii).

In this respect, the state should not harm the structures of the civil society (Platform 1998: xxxvi). On the other hand, the citizens should participate into the active communities both as a right and as a duty (Bellah 1998: 18). Therefore, a “good citizen” is defined through his or her participatory incentive to the communities, in national or local services and volunteer work (Platform 1998:

xxxi). As Tam (1998: 11) argues, “far from leaving protective duties completely to state agencies” the citizens should “behave responsibly” in the sense of securing their communities against the poverty, discrimination or violence. This is the essence of the “social justice” in communitarian understanding:

At the heart of the communitarian understanding of social justice is the idea of reciprocity: each member of the community owes something to all the rest, and the community owes something to each of its members. Justice requires responsible individuals in a responsive community (Platform 1998: xxxiv).

Therefore, it can be well said that the Third Way articulates the new communitarian features. However, Goes (2004: 117) points out that the Third Way tends to apply the communitarian themes only selectively. For instance, the Third Way does not mention to reducing inequalities, presents responsibilities as condition of rights and appreciates competition whereas communitarians argue the need for limiting competition as far as it harms individual autonomy<sup>40</sup>. Furthermore, Etzioni criticises the Third Way for diminishing welfare and replacing it with “armies of volunteers”.<sup>41</sup> For Goes (2004: 111), this selective adaptation signifies that the communitarian understanding is just instrumental for the Third Way, in order to differentiate itself from New Right and to prove similarity with its past.

Goes’ notice, together with Hale’s argument, provides some clues for the Third Way understanding, in the sense of its instrumentalist approach to “community spirit”. Yet, rather than a rhetorical instrument to clarify its position as Goes tends to imply, it is an instrument to realise social cohesion within the competitive

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<sup>40</sup> Dahrendorf (1998: 84) argues that adapting the competitiveness, flexibility, profitability, efficiency etc. results in decline of public services and destructs the public space, hence the communities. He also associates the globalisation with social exclusion, individualisation and centralisation, which can be compensated with the “local power” (ibid: 92). In this sense, not giving up “economic imperatives” but to balance them with an active civil society based on the strengthened local communities is offered.

<sup>41</sup> Yet, Goes notes that Etzioni changes his position later on. It seems that he begins to advise rather than criticise the Third Way: “Cultivating communities where they exist and helping them form where they have been lost (...) should be a major priority for future progress along the Third Way” (Etzioni quoted by Martell 2004: 85).

market. Given the perception of the market mechanism as inevitable and desirable in the Third Way framework, the communities become necessary instruments to sustain social needs that market fails to provide and state will not provide any more. Yet, although necessary, they are still instruments, not an end itself, as Hale underlines<sup>42</sup>. This point signifies the tension between the market-based analysis of the theory and its search for social solidarity based on community. Giddens explicitly admits the existence of such tension in his criticism of neo-liberalism. However, the claim of integrating social solidarity to the competitive market can hardly prevent from the same tension that is, the Third Way assumes to transcend through democratising the communities. In this sense, it can be well argued that the Third Way, too, suffers from a similar “contradictory tension” that Giddens attributes to neo-liberalism to denote its simultaneous devotion to the market and traditional units. Moreover, as Jayasuriya (2003: 15) points out, the receipt that Third Way propose to eliminate such a tension, that is to say the stress on democratisation of communities (and building participatory bodies) through enhancing dialogue and participation is still an instrument to achieve the aim of problem solving.

Whether the underlying initiative is instrumentalist or not, as Kymlicka (2004: 388) draws attention, the search for participatory mechanisms has been a general tendency which, in a sense, applies a “forward looking Communitarianism” that

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<sup>42</sup> If it is acceptable that what Bellah (1998: 18) accentuates as the main feature of ‘democratic communitarianism’, that “the individuals are realised only in and through the communities” is the moving point of communitarian approach, then there exists a reversed link (if not an ontological difference) with the Third Way understanding. For, in the Third Way framework, the main unit is still the individual, just as in the liberal theory, and as far as she/he becomes reflexive in globalising world, she/he is expected to involve more in communities. On the other hand, it seems that searching for a “balance” between individual and community is a more central concern for new communitarians. In other words, American Communitarianism tends to articulate “liberal” values with a society organised based on responsive communities. “We are or should be ‘communitarian liberals’ or, if you prefer, liberal communitarians. (...) we should combine a spirit of liberation and a quest for social justice, with responsible participation in effective communities” (Selznick 1998: 3). Furthermore, Tam (1998: 18) insists on that any community “ignor(ing) the political system or disengag(ing) itself from the world of business” undermines its existence. In this sense, it can be argued that the Third Way and new communitarians have a common aspiration to achieve a synthesis of capitalist market and social solidarity.

does not fail to a nostalgia of old community bonds but attempts to construct new types of solidarity bonds. For Kymlicka, the arguments on the models of “participatory democracy” can be seen as a good example of forward looking Communitarianism in the sense of admitting the diversity in multicultural societies and attempting to generate new solidarity bonds based upon the deliberative mechanisms among the members (or citizens) of local and national communities. Through that, Kymlicka argues, the new and strong diversities are tried to balance with the new types of strong bonds to “reconcile” the differences.

In this sense, it can be well argued that the parallelism among the deliberative democracy, new Communitarianism and the Third Way is their common reference to communities regarded as a remedy to generate social solidarity within current diversified societies. The basic idea underlying such parallelism, in words of a new communitarian thinker, is that “the ultimate goal (...) is to transform social and political aspects of community life so that everyone can participate responsibly as equal citizens in shaping decisions that affect them” (Tam 1998: 26).

However, regard of the “equality”, in a sense, as a procedural feature of participating to the deliberative process as equal members, also displays a common deficit of those approaches in the sense of ignoring the very existence of the “power relations” within the society. As Mouffe draws attention:

Nowadays, politics operates supposedly on a neutral terrain and solutions are available that could satisfy everybody. Relations of power and their constitutive role in society are obliterated and the conflicts that they entail reduced to a simple competition of interests that can be harmonised through dialogue (Mouffe 2000: 110-111).

In this sense, Mouffe suggests that the Third Way, as well as other approaches sharing such an ignorance of power relations within the society, depends on an “illusion” that makes the conflicts of interests invisible. Through that, Mouffe (2000: 121) argues that the Third Way suffers from social conservatism just as the communitarian approach.

On the other hand, the way of articulating community to the Third Way theory denotes some other contentious features. Third Way assumes that autonomous individuals can equally be the members of communities, while at the same time can generate a reflexive voice within the global cosmopolitan order. In this sense, three scales of such a scheme, individual, local community and global cosmopolitan community, are considered as, again, complementary features. It can be argued that this assumption reflects a serious negligence of the theory in the sense of underestimating the tension among them. In essence, even if such a complementarity might be achieved, Third Way does not provide any debate over the forms of that. Without any reference to the problematic, tense relationship among those different “identities”, the applicability of those basic assumptions becomes an unsolved question. Furthermore, given the communitarian debate over the tension between particular and universal values, the two important Third Way principles, strengthening communities and promoting a cosmopolitan global order, again, reflect a presumption on the reconcilability of them, without generating a meaningful debate over the themes. This can be thought as a further feature that points out the instrumentalist understanding inherent to the Third Way. Considering the community as a social network that generates self-help mechanisms, in essence a “natural” or “voluntary” social security mechanism, Third Way thought ignores the very possibility of the contradictions between traditions and values of the local communities and the universal compromises<sup>43</sup>. In this respect, considering the “free competitive market” and the democratic participatory mechanisms of governance as the “universal compromise”, Third Way integrates community to the market thorough its instrumental features that are expected to provide a base for social cohesion.

However, later on, one of the important rhetorical shifts is realised at issue of community. While appreciating communities as the source of moral values that provide social cohesiveness and denoting the impact of communitarian thought on

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<sup>43</sup> While denoting the “forward looking communitarianism”, Kymlicka (2004: 389) also draws attention to its *slight* difference from the “backward looking communitarian approach”. In this sense, Kymlicka notes that conservative features generally co-exist with the progressive reformist elements in contemporary communitarian approaches.



the New Labour (although he does not refer to such impact on the Third Way theory, i.e. his own texts), Giddens (2000a: 59) asserts that the Third Way should orient to the “civil society”, considering the possible conflicts between communities and diversity within the wider society. On the other hand, considering his own criticism of the concept civil society for being a suspect one (Giddens 1994a: 29), Giddens does not provide a well-defined notion of the civil society. It seems that civil society is itself considered as a *wider community* where the reflexive individuals still behave in line with the principle of reciprocity and achieve rights and responsibilities. In this sense, the former fundamental role of the community is attempted to be attributed to the civil society, which is, in a sense, based on voluntary communities. Furthermore, given the emphasis on local groups, i.e. local communities, and the indispensability of removing the state from provision of social services, the “community” and “community spirit” --whether those terms applied or their functions attributed to another term—are still inevitable components of the Third Way theory. Yet, this shift in rhetoric also denotes another important point that the Third Way has applied the term community such instrumentally that it is not the community but its functionality for obtaining social solidarity within the competitive market is mattered.

It is noteworthy that equalising the competitive market to, in essence, the field of opportunities, the competitiveness within the market is presented as an “enabling mechanism” which denotes another tension. The tension emerges between the Third Way’s attempt to enhance the impact of competitiveness that is considered as efficiency and dynamism, and the idea that solidarity can be constructed upon competitive features. In other words, it is assumed that a “community spirit” or a solidarity essence can complement the penetration of the “competitive spirit” to the social life. Such a view, as Wood (1999) insists, ignores the “imperatives of the market” which subordinates the human needs and constructs its strategy upon the enhancement of the market opportunities, in other words, embodies such an optimism of “achieving some humane kind of competitiveness”. Hence, the Third Way fails to evaluate the “force” of competitive market that creates a “market-dependency” rather than being “enabling market” with full of opportunities

(Wood 1999). Given the conceptualisation of citizenship in the Third Way theory, it can be argued that, the rights of citizens are subjected to the market imperatives, while it is assumed that the communities, both the natural and voluntarily-formed ones, can be activated in line with solidaristic ideals. In this sense, competitiveness and solidarity, too, is considered as complementary.

### **3.4. Complementary rather than Antagonistic**

The definition of formerly antagonistic concepts or dichotomies as complementary may be considered as the chief characteristic of the Third Way. It inserts that “old opposition” not only between the state and market but also between left and right, individual and society, right and responsibility, autonomy and solidarity, risk and protection etc. is invalid in today’s world. Whether the arguments claiming the underlying pragmatism or catch-all strategy that shape such a new reconciliatory position are true or not, it is indisputable that what allows the Third Way to claim to be locating in *beyond these old dichotomies* is its emphasis on the “end of class struggle”.

The emphasis upon the “end of class struggle” which naturally brings the end of class-based politics allows to define the interests of the “employer and employee” as the same or complementary. This can be considered as one of the main sources proposed for obtaining social solidarity that the Third Way seeks for on the base of competitive market economy.

Considering the dissolution of welfare state, abandonment of full employment which has been the main socio-economic objective and emergence of the neo-liberal order that is characterised with *competitive market*, “the material base of traditional redistributive solidarity” of welfare period has been diminished (Streeck 1999: 9). Then, the Third Way, while criticising both welfare period and Thatcherism for being unable to create social solidarity, *had to* focus on a new base for social solidarity given that the compromise in welfare state period over the full employment is dissolved. In this sense, the main issue was "how to combine the undoubted dynamism of the capitalist free market with social cohesion" (Marquand 1999: 13). However, as Streeck (1999: 5) argues, within this

perspective, the social cohesion could only be formulated in a *competitive* manner, in other words the solidarity and social cohesion had to be integrated into competitiveness in the framework of the Third Way. Then, the competitiveness and solidarity have to be considered as *complementary*, just as the capital and labour. It is illuminating to notice how such assumption takes place in the rhetoric of the Third Way politics:

(...) Blair concluded that competitiveness could not be achieved 'unless everyone feels part of the same team, trusts it and has a stake in its success and favour' (Lee 1997: 137).

Blair's 'New Unionism', identifying trade unions as 'a force for good, an essential part of our democracy, but more than that, as a force for economic success' in a climate where the 'them and us' struggle no longer holds relevance, heralds a new partnership between business and their workers (Clement 1999). This is projected to further cement the groundwork towards the Third Way (Newman and de Zoysa 2001: 104).

The principle of *equality of opportunity* of the Third Way completely fits with this frame. A political body that is oriented into competitiveness can and should not intervene into the market outcomes; such equality is not desirable, since it damages a 'fair' competition. The intervention is legitimate, only if it is done through *ex ante* equalisation (Streeck 1999: 9). It should promote the 'entrepreneur culture.' In essence, such an intervention is desirable since it "equalises the *marketability*" of individuals through improving their capabilities (Streeck 1999: 10). As Arestis and Sawyer (2001: 275) point out "the Third Way does appear to seek to equip individuals to compete in the market, e.g. through training and education". Then the over-emphasis of the Third Way upon the investment in *human capital*, especially in education becomes intelligible:

The main source of value and competitive advantage in the modern economy is human and intellectual capital. Hence the overriding priority New Labour is giving to education and training (Blair quoted by Powell 1999: 290).

Therefore, the Third Way constructs its model of society upon the "competition" which is the key concept of the neo-liberal era. The loyalty to the competition paves the way to consider the redistributive mechanisms of welfare period as an

obstacle for the competitive advantages of the firms. In this respect, the competitive advantage of a firm, which generally means the low-paid works and flexible production, is in favour of both the employer and employee. As Blair and Schröder ([1999] 2003: 114) states, “part-time work and low-paid work are better than no work because they ease the transition from unemployment to jobs”. Considering the indispensability of the competitive market to the Third Way, the lack of competitive advantage means the absence of any chance to survive for the firm and the unemployment for the employees. Then, the achieving competitive advantage is considered as a common interest of the capital and labour, or in terminology of the Third Way, the employer and employee (Yalman 2003). Thus, the universality of the public services and the full employment as the main targets of the welfare period are replaced with the necessity of flexibility to achieve competitiveness. In other words, the redistribution of welfare period is dispensed in favour of a “competitive solidarity”.<sup>44</sup>

In trying to adapt to the new economic circumstances, national communities seek to defend their solidarity, less through protection and redistribution than through *joint competitive and productive success* –through politics, not *against* markets, but *within* and *with* them, gradually replacing *protective* and *redistributive* with *competitive* and *productive* solidarity (Streeck 1999: 5 –emphases original).

This feature can be considered as a “complementary” notion of the Third Way’s redefinition of the state’s role implying that the state should concentrate its limited resources to the ones who really cannot help themselves, not to the all who can behave reflexively. Since that “the promotion of equal opportunities does not imply dull uniformity in welfare provision and public services” (Blair [1998]

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<sup>44</sup> There is a noteworthy parallelism between the implications of the terms “competitive solidarity” and “total quality management” (TQM) that is the denominator of the factory regime known as *Toyotism*. TQM considered as the repercussion of the so-called complementary interests of labour and capital into the production sphere, with an aspiration of achieving quality and competitive advantage and within an atmosphere of “firm family”. This is also called as “hegemonic factory regime” or as “hegemonic despotism” in the sense of involvement of the workers in decision making process on the ways of increasing efficiency and quality that helps them to feel like members of the same family having the same interests (Burawoy cited in Özdemir 2000: 248; Yıldırım 2000: 277).

2003: 30). Yet, it is questionable that whether it still means a welfare provision given the lack of universality. Moreover, as Freedon points out the philosophy underlying the welfare provision reflects a changed inspiration:

In the past, the concept of welfare in socialist thought pertained to human flourishing and well-being, to the ethical end of optimising human creativity and eliminating human alienation. It was closely linked to the egalitarian pooling of both human resources and social goods. In current jargon, however, it has been reduced to support services for the marginalised, the handicapped or the unlucky –those who are unable, rather than merely unwilling, to provide adequately for themselves (Freedon [1999] 2003: 46).

### **3.5. The Issue of Citizenship**

The Third Way model of citizen as active, flexible, reflexive one being aware of his/her responsibilities may be thought as an attempt to recover the issue of citizenship in line with the so-called necessities of the globalisation era. Since the welfare state has lost its validity, in a sense, the dominant understanding of the welfare period that citizenship is based on Marshall's conceptualisation, which involves social rights, equally with the civil and political rights, cannot be maintained.

It is sure that the main change in Marshall's framework has been achieved in neo-liberal period through the drop of social rights. Yet, as critics assert, the Third Way does not provide a critical account of diminish of the social rights. Rather, it attempts to replace the social rights of welfare period with a new notion of citizen "who wants to take his/her decisions rather than accepting services provided by the state". As Morrison notes (2004: 169), there is no reference to the social rights in Giddens account of citizenship<sup>45</sup>. Rather than social rights, the Third Way applies the magic receipt of "rising reflexivity", again, both as an existing reality and as a target to achieve.

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<sup>45</sup> "Inclusion in its broadest sense refers to citizenship, to the *civil and political rights and obligations* that all members of a society should have not just formally but as a reality of their lives" (Giddens 1998a: 102 –emphasis added).

An account of citizen as reflexive individual allows the Third Way to propose that individuals can and should fulfil their needs, by themselves, through being “self-reliant” as well as through reinforcing their community-based relations. Then, the mutual dependency within the communities can compensate the lack of social services provided by the state. Yet, in order to realise this model, citizens should take responsibility both in the sense of taking care of themselves, i.e. being self-reliant, and achieving their duties or obligations to the society which is hopefully to generate social solidarity. In Giddens’ (2000a: 165) words, “people should not only take from the wider community, but give back to it too.”

This conceptualisation of citizenship<sup>46</sup>, according to Orton (2004: 505), “lies at the heart of New Labour’s project (Dean 2002) with responsibility of central importance”. In this respect, Orton holds that despite of the rhetoric on the togetherness of the rights and responsibilities, the Third Way model gives the priority to the responsibilities. This is very much related with what Orton calls as dominant paradigm that implies the assumption of “there is a contemporary deficit of responsibility” argued as a consequence of welfare period. It is not surprising that both the New Right and Third Way imply such an assumption, given the common critique of welfare state for generating welfare dependency that make people forget their mutual obligations. Also, communitarian thinkers, such as Etzioni, share this regard that in the welfare period people have enjoyed their rights but have not engaged in their obligations (Orton 2004: 506). In this sense, the perception of “previous excessive emphasis on rights” is used, in a sense, to legitimise the increased emphasis on responsibilities (Morrison 2004: 173). Based on this assumption, the dominant paradigm, as a shift in rhetoric, has paved the

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<sup>46</sup> It should be underlined that commentators given reference here focus on New Labour experience (Hale 2004; Goes 2004), due to various reasons such as providing a case study (Orton 2004), or believing that New Labour applies the Third Way only selectively (Morrison 2004). Accepting ordinary differences between a theoretical framework and political experience (of New Labour), there is no persuasive evidence for not to apply the critique of New Labour conceptualisation of citizenship to the Third Way account of the same issue. Indeed, it is Giddens’ texts that allow interpreting the notion in the way New Labour has done.

way for “moving responsibility for provision from the state to the individual, leaving citizens facing greater risk and insecurity” (Orton 2004: 519).

In essence, Third Way applies, rather than a “universal citizenship conferring an automatic social right to resources” as in Marshall’s model, a new “conditional” type of citizenship that Plant (1998: 8) calls as “supply-side citizenship” through which “work” becomes, in a sense, a “passport” to citizenship.

Supply side citizenship stresses that citizenship is an achievement, not a status, it is available through participating in the labour market and reaping the rewards that accrue from that, and investment in skills is part of equal opportunity as a right of citizenship in this new economic context (Plant 1998: 5).

From a critical point of view, Morrison (2004: 172) notes that in the Third Way model, the social rights are replaced with the *opportunities* that were, in Marshall’s conceptualisation, implicit in social rights, thought as a guarantee of the opportunity by lessening poverty or disadvantage. Yet, while the opportunities are presented as embedded in the “new citizenship” that the Third Way offers, the responsibilities (or, duties, obligations) are proposed as pre-requisites of that citizenship. In other words, taking responsibilities become the *condition* of being a “good citizen” (Goes 2004: 119). Then, the so-called balance between rights and responsibilities evolved into a “hierarchical notion of citizenship” that implies responsibilities not only as prior to but also as conditions of the rights<sup>47</sup>. Hence, in the Third Way model of new citizenship, rights are not justified by inherent value

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<sup>47</sup> The programme of “New Deal”, applied by New Democrats and New Labour, at issue of unemployment provides a good example. Through New Deal, which is also associated with the *workfare* model, the unemployment benefit, which was a welfare *right*, is made conditional to the willingness to take part in labour market. As Blair argued, “The unemployed have a responsibility to take up the opportunity of training places or work” (quoted by Morrison 2004: 173). It is also noteworthy that one of the criticisms directed at the New Deal experience in Britain argues that “the strategy gives priority to *employability* over employment” given the lack of demand side policies to create new jobs (cited in Lister 2002). “Employability” in this context refers to make individuals adaptable to the market, which underlines an intrinsic feature of the Third Way account of citizenship.

they have and citizenship no longer is an automatic right but a right to be deserved through performing responsibilities (Morrison 2004: 172-175).

In this sense, making a noteworthy contribution to the Third Way model of citizenship through analysing New Labour practice, Hale (2004: 92) is so persuasive when denoting that “the good citizen” is defined based on economic competitiveness and social order, but narrowly associates the notion just to the “working for a living and taking care of one’s family” (Hale 2004: 93). Indeed, it is just one side of the whole picture, given the responsibility of citizens for providing social solidarity through acting in communities, beside ‘taking care of their families’, to deal with the consequences of global markets, in the absence of social rights. In other words, not only being included in the society as a citizen but also contributing to rebuilding an inclusive society, is itself a responsibility of the citizens.

Therefore, inclusion in citizenship becomes a personal responsibility. *This has the discursive effect of absenting structural social and economic barriers to full participation in society.* Opportunities are consistently substituted for rights, thus increasing the conditionality of this notion of citizenship (Morrison 2004: 175 –emphasis added).

Then, it may be added to Orton’s notice that “moving responsibility for provision from the state to the individual” not only subjugates citizens to greater risk and insecurity<sup>48</sup>, which are *opportunities* in the Third Way discourse, but also attributes them the duty of managing those risks in order to contribute the target of “inclusive society”<sup>49</sup>. As Morrison states, such a conceptualisation of citizen involves two important features:

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<sup>48</sup> Given the notion of “manufactured risk”, it is just the opposite, for Giddens. Furthermore, “States have been far more dangerous and disturbing to their populations than business or markets ever have. Better to be ‘at risk’ to capitalism than at risk to communism or military government, surely” (Giddens 2000b: 25).

<sup>49</sup> In this issue, there are some noteworthy contributions from the sympathizers of the Third Way. Meyer (2001: 84) suggests that the social security for individuals can be provided by the state if only “all their efforts have failed”. Propounding “partitioned responsibility”, Halpern and White (1998) argue that the individual, community and state should share the responsibility in a way that if the events are results of individual choices



Firstly, the responsibility of managing global economic change is partially shifted from being a governmental responsibility to being the obligation of a responsible citizenry. Secondly, citizenship is articulated as inextricably linked to economic requirements. Inclusion into citizenship becomes, in practice, the fulfilment of the obligation to participate in both labour and consumer markets, in order to enable Britain to compete as a nation within global economy (Morrison 2004: 171).

In other words, as far as citizens act responsible and realise the opportunities that global competition provides, i.e. reinforce their competitive skills, then the competitive advantage of the society enlarges. As commentators draw attention, such a concept of good, responsible citizen implicitly denotes a “bad –or irresponsible- citizen” who fails to fulfil citizenship duties such as paying taxes, or does not take part in labour market and in voluntary work (Orton 2004: 504; Morrison 2004: 174-5). It should also be underlined that, the meaning of work, which is claimed to be the main duty in the society by the Third-Wayers (Goes 2004: 112), too, has a different connotation from the welfare period of full-time employment with a job security. Rather, it denotes part-time, flexible and also voluntary works that the reflexive citizens should understand as “opportunities”.

Defining the Third Way as an attempt to “reconcile fidelity to market imperatives with policies dealing with issues of social disadvantage”, Jayasuriya (2005: 3-4) holds that it reinforces a shift from “social citizenship” to a “market citizenship”<sup>50</sup>

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then the individual should cope with the consequences. If not, that is to say if the events are the result of “brute bad luck”, then communities and state should attenuate their effects. Although there is no account on how these two can be differentiated from each other, it is believed that, the social inclusion and justice is guaranteed through such shared responsibilities. In this sense, as Le Grand (1998) admits, the “social justice” is not perceived based on the redistributive mechanisms. Similarly, Dworkin (2001: 177) condemns “old egalitarian” notion of collective responsibility to show equal concern for citizens and suggests a “unified account” of personal responsibility and equality. In this sense, investment in human capital is the common proposition that Third Wayers suggests as the responsibility of the state, together with the, in a sense, an *individualised* version of social security that targets the ones who suffers form “brute bad luck” or in other words, who are the most vulnerable.

<sup>50</sup> Drawing attention to the centrality of social policies within this process, Jayasuriya (2005: 5-6) points out five features of market citizenship: “[1] citizenship is framed within the market rather than in opposition to or in compensation from consequences of the market; [2] social policy within the market citizenship is designed so as to make a productive contribution or enhance greater participation within the economy; [3]

which takes place at the heart of the process of “socialisation of neo-liberalism”. Considering the themes such as inclusion and a particular understanding of participation, Jayasuriya argues that, the discourse constructed around new model of citizenship is “increasingly anti-political”.

Social citizenship was organised around the negotiation and conflict of interest which originated in the dualism between market and the social sphere. In contrast market citizenship reflects a more anti pluralist understanding of politics that seeks to subordinate social policy to market imperatives. It marginalises those social relations that arise in conflict with the market in favour of modes of social association based on access to, and participation within, the market. Consequently, notions such as *social capital* and *community* have come to replace class and social conflict; and importantly, this reflects a deeper transformation in the language of liberalism towards inculcation of certain standard of behaviour or values rather mediation and negotiation of social conflict (Jayasuriya (2005: 7).

What Jayasuriya draws attention in this long quotation is one essential aspect of the Third Way thought that the assumed complementarity between market and social sphere results in a de-politicised notion of citizenship defined through participation into the market and through taking place in communities, rather than around the social conflict which is an omitted concept in the Third Way approach. Considering Orton’s notice (2004: 519) that “Marshall’s account of citizenship pointed to a conflict between citizenship and the market”, it can be argued that the Third Way model attempts to resolve this conflict in favour of the latter, through defining citizenship in line with competitiveness of market which also needs a base of social cohesion. What is at stake is the discourse of the Third Way that conceptualises this relationship not as a *conflict*, but as reconcilable.

Therefore, the conceptualisation of “active citizen” in the Third Way texts implies that the duties of the citizens involve being (flexible) participators of the (flexible)

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participation is individualised in terms of the ability to mobilise individual endowments of capacities and assets; [4] social policy moves from a rights based to a contractual version of welfare that makes social policy claims conditional on the performance of specified obligations or duties; [5] market citizenship tends to define social association in terms of access to, and participation within, the market”.

labour market and being active members of (self-help and voluntary) communities. In essence, the Third Way's seek for social solidarity entails such two-fold notion of citizenship, as in the case of other key concepts, that is presented both as an opportunity and as an obligation and that necessitates being self-reliant, i.e. reflexive, and also self-help, i.e. organising in voluntary communities. In other words, the "new citizenship" is a reflection of the social model of the Third Way that seeks for a combination of free market competitiveness and social solidarity. The citizenship is defined in line with this purpose, and thus, citizen becomes an agent that combines the competitiveness and solidarity in itself.

### **3.6. Giddens' "Self-Criticism"**

Following the texts titled as the "Third Way", Giddens edits "*The Progressive Manifesto*" in 2003, with a claim of presenting new ideas for the Centre-Left. This attempt can be considered as a self-criticism of the Third Way position, not in the sense of negating its principles but developing its main proposals through reinforcing with new concepts. Giddens (2003: 1) states that there are mainly two reasons that necessitate going beyond the Third Way such that on the one hand the world changes since the Third Way idea has firstly developed, on the other hand, some of its proposals are weak and should be improved. In this respect, Giddens provides a critical overview of the Third Way project.

Giddens (2003: 2) explains the main aims of the Third Way as achieving electoral recovery of social democratic parties and providing a respond to the crisis of Keynesianism. In this sense, he asserts, the Third Way has been developed in a reactive manner and also achieved to create a critical response to neo-liberalism<sup>51</sup>,

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<sup>51</sup> Giddens (2003: 8) expresses that the Third Way has also been successful in the sense of its impacts on the European Union strategies. He states that Lisbon Programme of EU, which is generally known as the strategy for making EU the most competitive market in the world, is deeply impressed by the Third Way idea. It is noteworthy that Giddens associates the election failures of social democratic parties in 2000s with their reluctance to pursue labour market reforms and as a result, their ineffectiveness to provide

for Giddens. Then, although its core ideas are still valid, there is also a need for “a certain degree of self-criticism”<sup>52</sup>.

[The Third Way] was defined too much in terms of what it was against rather than what it was for. Social democrats need, I shall argue, a greater *ideological breakout* from this situation than has been achieved so far. This ideological breakaway demands new *concepts* and new *policy perspectives*. We must continue to think *radically*, but radicalism means being open to *fresh ideas*, not relapsing back into the traditional leftism of the past. I shan't in fact call this new perspective the fourth way, although the idea is tempting. Instead I shall speak of *neoprogressivism* and the *neoprogressives* (*neoprogs*) (Giddens 2003: 6 –emphasis original).

In essence, the “neo-progressivism” is explained through three main stands of the Third Way as “a strong public sphere, coupled to a thriving market economy; a pluralistic, but inclusive society; and a cosmopolitan wider world, founded upon principles of international law” (Giddens 2003: 7)<sup>53</sup>. In this sense, the theoretical essence of the Third Way project stays unchanged, but it is revisioned through some new supporting concepts. Two important concepts that are newly inserted, although their contents are, indeed, embedded in the Third Way idea, are “embedded market” and “ensuring state”. These concepts are respectively elaborated by John Kay and Folke Schuppert in the *Progressive Manifesto*.

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competitive labour market which is thought as the strategy to cope with unemployment, in Lisbon Programme.

<sup>52</sup> Ironically enough, it seems that there is an endeavour to give a response to the rise of Conservatives in US: “Neoprogs need to develop a social democratic agenda as ambitious and comprehensive as the neo-conservatives have done in the US and elsewhere” (Giddens 2003: 6). On the other hand, Giddens holds that Third Way was not an equation of New Labour in Britain or New Democrats in US, but a progressive and policy driven response to the change. Considering this together with the ongoing emphasis upon cosmopolitanism, one may think that neo-progressivism is an attempt for adaptation into the new global order shaped after September 11<sup>th</sup>. Yet, such adaptation is less critical to create a radical response, despite of its stress on multilateralism. It is because that the cosmopolitanism of neo-progressivism confirms the use of force when the cosmopolitan, “democratic ideals” need to be protected (cf. Giddens 2003: 31). Furthermore, the Progressive Manifesto is prepared for the summit of “progressive leaders” that Blair, the ally of “unilateralist” US, has hosted.

<sup>53</sup> In this respect, Third Way was nothing other than “progressivism” for Giddens (2003: 1), which gains the proposition of “neo” now.

The “new” idea that the phrase of embedded market embraces is basically that the market economy acts within and through the communities which refer to all kind of social, political and cultural institutions:

This is the economics of the embedded market, in which economic activity is conducted through social, political and cultural institutions. In an embedded market the attempt to define precise boundaries between state and market, and to impose a dichotomy between public and private action, fails to acknowledge the real and rich complexity of modern economic life (Kay 2003: 37).

The argument applies that the “legitimacy” base for both the public and private services is the same, “meeting the changing needs of consumers in a competitive market”, accordingly, the public services, too, should adapt new flexible organisational structures with an aspiration of customer orientation<sup>54</sup> (Kay 2003: 40-42). In essence, this is also completely true for the domain of politics and democracy which itself is “a marketplace in political leadership”. In this respect, just like the corporations in competitive market, political parties contest in a political *market* and just as customers of the market do, voters choose the one which best meets their needs (Kay 2003: 44-46).

Here, it is clear that the *blurred* boundary between state and market does not refer to an ontological premise<sup>55</sup>. It is much more an *ought to be* situation in the sense that market can only sustain its well-functioning in an environment of well-developed public domain which refers to a civil culture based on mutual trust and

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<sup>54</sup> Giddens (2003: 18) asserts that individuals are “customer-citizen” in market domain, whereas in public services they are “citizen-customer”. Fulfilling the demands of *customers* is the common aim in both spheres. In this sense, the *customer* or consumer is conceptualised as the real “sovereign” of the market place, as well as public sector, which can be interpreted as the “consumerisation of citizenship” (Peters 2004: 628). Thus, as a *neo-prog*, Giddens’ regard of citizenship consolidates the base of criticisms directed at the Third Way account of citizenship.

<sup>55</sup> Critical Realism considers that those are not ontologically distinct entities, but the different forms social reality takes. As a political reflection, Open Marxists interpret state as a form of class struggle. It is sure that the idea (that Giddens and others pursue) that the separation between state and market should be understood as *flexible* for the sake of market functionality has no common point with these positions.

to an “ensuring state” (Giddens 2003: 7). In other words, the state can and should intervene to *help* markets function effectively, rather than an idea that state should act in cases of market failures (Giddens 2003: 9). Furthermore, Kay (2003: 50-51) insists on the necessity of *self-regulation* for the well functioning of markets, to be complemented with legal regulation. In other words, the values of the market should be internalised by the public services as well as citizens *as customers*.<sup>56</sup>

In this respect, it can be well said that there is a noteworthy similarity between the positions of new institutionalists and Third Wayers. New institutionalism in the sense of consideration of market, society, family etc. as institutions while doing this, explain those by attributing market rationality. “Public choice theory” can be considered as one branch of this position that applies market relationship to the politics. The impression of new institutionalism in Third Way (or neo-progressivism) texts is obvious in its attempt to provide market an appropriate social framework, both in the sense of legal framework and also in terms of social relations, citizenship, role of state, responsibilities that civil society should take etc. There are also some phrases making such parallelism explicit:

A good society is one where the three main sets of institutions – the state, the economy, and civil society or civic culture- are in balance (Giddens 2002: 37).

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<sup>56</sup> Then, it becomes clear that there is a reversed correlation between Karl Polanyi’s “embedded economy” thesis and “embedded market” that is elaborated here. Given Polanyi’s fundamental argument in which embedded economy refers an economy embedded in social relations while “market economy”, on the contrary, signifies the embeddedness of social relations in the economy (or market) (Polanyi 2000: 101), then the so-called embedded market should be understood as a further step in subordination of social relations to the laws of market. In Polanyi’s account, in all types of societies, the economy was also directed by the principles of *reciprocity* and *redistribution*, alongside the exchange relations forming the market, until the market and exchange relations have dominated those social relations that has given rise to the market society in 19<sup>th</sup> century. In this sense, although the Third Way approach, in general, seems to attempt to articulate the feature of “reciprocity” that is the characteristic of the uneven but solidaristic, trustful relations within the family and community, this time those social relations do not refer to an extra-economic sphere but are re-defined through the needs of market. On the other hand, the Third Way also shares the neo-liberal view that the state should be withdrawn from its “redistributive” roles. In this sense, as Buğra (2000: 29-30) denotes, rather than being independent from the market, the reciprocal relations within the communities become the necessary complements of the market economy which emerges as the sole universal value.

Voters have become used to picking and choosing. Brand loyalty in the sphere of consumption counts for much less than in the past. Voters more and more have a calculative attitude to politics too (Giddens 2002: 13).

Government and state need thorough-going reform, to make them faster moving, more effective and responsive, and to reflect the need for greater transparency and diversity in a society where consumer choice has become a prime force (Giddens 2003: 3).

Within this structure, the responsibilities of state to remove obstacles in front of civil entrepreneurship and to encourage civil initiatives gain a new title: ensuring responsibility of state. Thereby, the “enabling state” embodied in the motto “helping people to help themselves” is evolved into a *regulatory state* or “ensuring state” that provides its citizens some guarantees (Giddens 2003: 13). Schuppert (2003: 58) holds that state has to take ensuring responsibilities, in addition to its responsibility to perform bureaucratic services and to be “standby” in the sense of providing public goods in case of market failure. In this respect, “many services once delivered directly by the state are now provided by non-state agencies”, yet the state has still responsibility to coordinate and to put standards for the delivery of those services (Giddens 2003: 13). Then, state should “monitor” the public-private partnerships, as well as the third sector which provide public service (Schuppert 2003: 58).

*The Progressive Manifesto* also involves a perspective for “global governance” and “global social democracy”<sup>57</sup>. According to Held (2003: 142-145), both the neo-liberalism and anti-globalisation movement are problematic due to the fact that while the former fails to offer any resolution to the miseries of market, the latter fails to appreciate the potential of governance that mobilises local actions and resolutions. Globalisation should be grasped accurately as the dynamic “transforming foundations of world order” to a complex form of governance, at regional and global levels. In this respect, although globalisation is an uneven

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<sup>57</sup> It is noteworthy that the former emphasis over the *cosmopolitanism* seems to be replaced with global governance of which the *guiding ethical principles* are counted as “rule of law, global social justice, universal human rights, social solidarity and community, economic efficiency, environmental sustainability” (Held 2003: 165).

process, it cannot be suggested that the less powerful regions of the world, both in the sense of power and economic resources, do not take part in global politics. On the contrary, for Held, the dynamics such as the expansion of the democracy, emergence of global civil society and the urgent issues necessitating global resolutions such as global warming, poverty, global terrorism make the global governance both possible and also indispensable. Yet, in order to achieve those aims, Held argues, there is a need to build a “global social democracy”.

[The project of global social democracy] is a basis for promoting the rule of international law; greater transparency, accountability and democracy in global governance; a deeper commitment to social justice; the protection and reinvention of community at diverse levels; and the transformation of the global economy into a free and fair rule-based economic order (Held 2003: 164).

It is noteworthy that all the key arguments that “neo-progs” maintain –embedded market, ensuring state, regulatory state, global governance- do not provide a noteworthy change in the basic proposals of the Third Way. The common content and slightly altered terminology of the Third Way and neo-progressivism, which is also shared by the international organisations, reflect the “hegemony of market” that penetrates into the social life such that individual becomes *human capital*, whereas social relations are entitled as *social capital*.

### **3.7. Third Way as a Hegemonic Project**

If the question of hegemony is “the question of whose version of reality is being universalised and which alternatives are rendered unthinkable” (Sim 2004: 8), then, the Third Way can be considered as a further attempt for the *hegemonisation* of the market<sup>58</sup>. In essence, by aiming to obtain social solidarity within the

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<sup>58</sup> This is related with the hegemonic perceptions of the “changed world” and assumed conditions it has given rise. As Martell (2004: 4) points out “the social changes posited by the Third Way as necessitating a new politics, the values they have argued for and the policies proposed for achieving those values have become established parts of the political landscape and agenda, whoever is in power”. Barrientos and Powell (2004: 9) cite the interpretations arguing that “the Third Way is ‘now arguably the dominant



competitive market, the Third Way is itself shaped under the neo-liberal hegemony that has already given rise to the perception of the market supremacy.

*Untrammelled international competition, the celebration of the market, of wealth and self, anti-communism and anti-unionism; all these are no longer propagated as 'revolutionary' in the sense of challenging a prevailing consensus of a different content, but they are now part of normal everyday discourse, self-evident, near impossible to contradict or even doubt* (Overbeek and Van der Pijl 1993: 1-2, emphasis added).

As the authors suggest, neo-liberalism achieved to be hegemonic in the sense that its formerly radical themes and targets have become *the new normalcy* and “the idea of free market turns into a personal moral code” (Overbeek and Van der Pijl 1993: 20). In so far as the Third Way does not provide a criticism to the supremacy of the market and appreciates its dynamism, efficiency and competitiveness, it reinforces the neo-liberal hegemony. On the other hand, the Third Way claims to create a new way to be alternative to the neo-liberalism, through offering a base for the social solidarity that neo-liberalism has diminished. However, the way in which the Third Way claims to repair the solidarity is constructed upon the market, too. In other words, the social units such as individual, community and civil society that the Third Way denotes as the units for social solidarity to be obtained are defined through market-based concepts, in coincidence with the needs and consequent miseries of market mechanism.

The individual, both as a reflexive and active actor, is thought to be entrepreneur, self-help, also aware of her/his responsibilities to help others, flexible and competitive. To benefit the opportunities that market mechanism and globalisation provide, the individuals should embrace the “flexibility” and “competitiveness” in their lives, in other words, adapt themselves to the flexible, competitive markets. The labour markets, composed of flexible individuals, should also be made flexible. In this sense, flexibility, as a compulsion of the market mechanism in the globalisation era, should not be considered as a negative feature but as an

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political approach throughout the world”’. It can be said that it is a result of politicisation of the features of the post-Washington Consensus, by the Third Way.

opportunity for the individuals to realise their reflexivity in their lives, that is to say, to adapt themselves to the changed conditions, behave reflexively and not to limit their lives, for instance, with a life-long job. It is very meaningful that Giddens associates the flexible, so-called post-Fordist type of production with the raised reflexivity within the social life.

As a citizen, the individual is also defined through her/his position in the market as a consumer, gets related with the public and private sectors through such consumer identity. In this sense, although there emerge some revisions in the *Progressive Manifesto*, the public services are also conceptualised on the base of market understanding, as a field to be competitive, flexible, efficient and *consumer-oriented*, just like private sector, having a personnel regime defined through the performance criteria. As the individual, as well as state institutions, is understood thoroughly in market mentality, the community and civil society are conceptualised based on their functionality in compensation of market miseries in the absence of the state provision. Through that the Third Way also consolidates and reinforces the anti-welfare state arguments of neo-liberals claiming that efficiency can only be achieved by market means or directly at the market, beside the criticism of “welfare dependency”. The state, the supplemental element of the Third Way triangle, that is, “state, market, civil society”, is defined through its roles in guaranteeing the competitiveness within the market and in ensuring the accession of the “most vulnerable” in the society to the basic services, i.e. health and education. In this respect, the egalitarianism of “old social democracy” is replaced with *individualised* social services limited with the “most vulnerable”, owing to the supposition that the community ties as well as the assumed reflexivity of civil society, *can and should* provide the necessary self-help mechanisms, within a morality of *mutual responsibility* and *shared values*. In this framework, the Third Way embodies the political expression of the shift in the social democratic view that is “from the goal and discourse of equality to those of the trinity of *responsibility, inclusion and opportunity* (RIO)” (Lister 2002 – emphasis added).

In this sense, what Petras (2000: 34) asserts as “a new ideological gross” that the Third Way provides to neo-liberalism, goes beyond to be *just a gross*, and becomes a strong attempt to further the penetration of market relationship to the “social” in general. In other words, social relations in the Third Way framework, is conceptualised thoroughly on the base of market which is presented both as an inevitable reality and as a field of opportunities and of which miseries thought to be compensated through social ties in communities and civil society, in general.

On the other hand, the notions of community and civil society have further functions in the Third Way understanding. While abandoning the left identity and its equality notion (Mouffe 2000: 5) through shifting to the market-friendly approach of neo-liberalism, Jessop (2003: 2) argues that the Third Way experience of the New Labour denotes the “remoralis(ation of) neo-liberal accumulation strategy around a populist ‘one nation’ hegemonic project”. In other words, the Third Way attempts to “include all” within the society (Mouffe 2000: 121), on the one hand, through the moral notions of responsibility, reciprocity, community, shared values etc. and on the other, through the enhanced participation of the individuals to the market as labour force (at least, gained *opportunity* to take place in the market, i.e. “employability” of the individuals, which is the underlying initiative of investment in *human capital*). One essential feature of such an “inclusive” strategy is the assumed *reconcilability* of the interests of the classes, capital and labour, which enables the Third Way politics to argue, “we are truly ‘one nation’”<sup>59</sup> (Newman and de Zoysa 2001: 104). In this sense, it can be argued that the cohesiveness in the family and community structure based on solidaristic values, which make individuals feel included as a member of the community, is assumed to provide a necessary base for the assumed complementarity between the conflicting interests, and hence, for the social solidarity in the society.

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<sup>59</sup> “A core new Labour value: ‘community’ or ‘one nation’. Our contract with the people was about opportunity and responsibility going together” (Blair quoted by Lister 2002).

The Third Way politics based on the understanding of state-market-civil society complementarity and also the claim of transcending the old oppositions, i.e. antagonistic positions, both within the society and also among the societies, totally ignores the class antagonism and power relations, and replace them with moral notions such as shared values. In this sense, what Jayasuriya denotes for the participatory model of the post-Washington Consensus is valid in the case of the Third Way that “serves at once to *disembed* the individual agency from political relationships of power and to *embed* them in *depoliticised notions of community* and *social capital*.” (Jayasuriya 2003: 19 –emphasis added). It also enables the Third Way to conceptualise globalisation, for instance, as an almost spontaneous process or a natural consequence of the technological innovations such that the political, economic and ideological features of the globalisation process are shadowed. This framework inevitably leads the Third Way to embrace an “anti-political” discourse, due to the fact that politics becomes an arena for consensus and reconciliation of the interests that are already assumed as complementary, while at the same time, all the principles of the Third Way are presented as the obligatory changes that the new era entails. In this sense, the Third Way also shares the claim of “there is no alternative” which completely undermines the base of politics.

In this sense, while the Third Way shares the neo-liberal commitment to the market, as well as the neo-liberal constructions of ‘self-reliant, entrepreneur individual and moralistic communities’<sup>60</sup>, it further penetrates the market relationship within the society through its attempt to generate an “inclusive” strategy, through defining the “old oppositions” as complementary which enables the associate the Third Way with the “second-phase” of neo-liberalism, that is embodied in the so-called post-Washington Consensus.

The Third Way, in this respect, can be considered as an attempt to *universalise its own version of reality*, which is also shared by the post-Washington Consensus, in

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<sup>60</sup> Özkazanç (2005: 3) argues that as the society, that is, the subject of government of the welfare state period, has dissolved the “individual and micro/moralistic communities” have replaced it as the subjects of government in neo-liberalism.

the sense of both providing a specific account of radically changed world and also engendering specific proposals for adapting to that change. Such particular versions of the current reality and assumed remedies to the social problems also involve the attempt to render “old” political arguments *unthinkable*. The Third Way attempts to “include” all aspects of social relations through re-defining them on the base of the “indispensable” notion of market mechanism. In this sense, considering the common compromise on the Third Way principles, it can be well argued that the Third Way attributes to the market hegemony both through committing to its indispensability and also through supporting further subordination of the social relations to the market mentality. Thus, the Third Way principles, the new definition of the state and society relationship that is based on the competitive market and complemented by the new model of citizenship, become the *new normalcy* of the current era.

## **CHAPTER IV**

### **REFLECTIONS ON TURKISH POLITICS**

Considering the main principles of the Third Way in the sense of the complementarity of state, market and civil society, conceptualisation of the citizenship and the global governance, Turkish case can be considered as an example of the hegemonisation of the Third Way arguments. Given that “integration to the global markets” is one of the, if not the main, hegemonic features of the current Turkish politics (Yalman 2002: 336), it can be argued that the political actors pursuing such an aspiration encounter with the Third Way principles that shape the current global agenda. In this sense, the “accession” process to EU plays an important role in the formation of discourses of the political actors, as well as formation of the policies reforming the economic, social and legal structure of the country (which can be seen as the restructuring process of state and society relationships) in line with the Third Way vision. Furthermore, given the social and political support for the Turkey’s accession to the European Union, basic features of the Third Way --such as re-structuring state and society relationship, decentralisation and devolution, supremacy of market mechanism, creating more competitive labour markets— also appreciated by the society through combining with the yearning of more prosperous and democratic life.

This chapter aims to review the impact of the Third Way on the discourses, as well as policies, of two main political parties in current Turkish context, i.e. the Justice and Development Party (JDP) and Republican People’s Party (RPP), rather than to generate a full account of those parties. It also involves the debate on the implementation of the Third Way to the Turkish politics.

#### 4.1. Turkish Candidates for the Third Way Politics

It can be argued that the debate over the Third Way and its applicability to the Turkish case has been accelerated in the national election period in 2002. Kemal Derviş, who was invited to the country after the February 2001 economic crisis and became the State Minister in charge of economy, responsible for the “Strengthening the Turkish Economy-Turkey’s Transition Program”, has introduced a term “social-liberal synthesis”<sup>61</sup> to the political debate. The idea underlying the social-liberal synthesis was the chief principle of the Third Way: the complementarity relationship between state and market. In this respect, the state should regulate and control the operation of the market mechanism and the democratic regime should be reinforced through an active and participatory civil society (Derviş 2002a). Then, as globalisation entails, the reform in the administrative structures of the nation-states towards a governance model is vital in order to participate into and benefit from the global economy. As a global actor, the European Union, for Derviş, should also adapt to a global governance understanding. In this respect, as he also admits, “Indeed, the Third Way of Giddens, too, is nothing other than social liberalism. That is the reflection of the stage that the left thought has reached, at the end of the twentieth century” (Derviş 2002a). In line with the tendency in the Third Way to define the left in terms of its capability to adapt to the new conditions, Derviş associates “being on the left” with achieving change<sup>62</sup>.

On the eve of the 3<sup>rd</sup> November 2002 national elections, the Republican People’s Party (RPP) has oriented itself to the discourse of “social-liberal synthesis” by the

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<sup>61</sup> It is noteworthy that the term “social liberalism” has also been used for entitling the New Liberalism (Yalman 1999: 65) that is, in a sense, one of the antecedents of the Third Way thought.

<sup>62</sup> In essence, the direction of the change and the content of transformative program advocated through the Third Way principles are presented as the *obligatory conditions* for “the change”, those conditions gain a neutrality in so far they are obligatory, thus, the left is considered as the most suitable actor to achieve the transformation due to its basic character of “being in favour of the change”.

participation of Derviş to the Party<sup>63</sup>. However, although the Party could achieve to be one of the two political parties that gained seats in the parliament, through doubling its votes compared to the 1999 national elections, it could not obtain enough vote to form the government. This has resulted in the debates on the new political orientation of the Party and the criticisms have been mainly directed at the Party leadership. Derviş has continued to be an important figure within the Party as a supporter of the new vision of the Party and argued in favour of further change in line with that European social democratic parties have realised. In this sense, “The Social Democracy Report” by Derviş and Işık (2004) can be thought as a dedicator of this endeavour to realise the transformation of RPP, parallel to the Third Way understanding.

On the other hand, as being the new political actor with old cadres, Justice and Development Party (JDP) has also attracted attention in the debate upon the Third Way in Turkish context, given the adoption of the basic Third Way principles in its programme. After its electoral victory in 2002 elections, JDP would gain a label “conservative democrat” which has helped to consolidate its legitimate position in Turkish politics, as well as on the international politics scene, through differentiating itself from its Islamic background, at least partially. Considering its

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<sup>63</sup> It is for sure that the parallelism between RPP and the Third Way line can be drawn in earlier period where the discourse of *Anatolian Left*, which denotes the embeddedness of some values such as tolerance, love, solidarity in Anatolian traditional culture, has been adapted. Ayata (2002: 112-113) states that through the discourse of Anatolian Left, RPP under Deniz Baykal’s leadership has attempted to change the Party’s elitist image and has displayed a shift from “a class analysis to a human-centred analysis (...) however, nowhere in this new discourse of the Anatolian Left was there any mention of socio-economic inequalities”. In time, the proneness to a market-friendly position has been more accurate that “Baykal himself has repeatedly stated that there is no way of distributing resources without growth. This has been the discourse of the center-right throughout the last four decades” (Ayata 2002: 113). Therefore, there had already emerged an attempt to transform Party in line with some features of the Third Way thought in RPP, before Derviş became a member of the Party. However, the 2002 general election signifies a more determined attitude in the Party to adapt the Third Way understanding such that in election declaration, RPP expresses its aim as to “establish an organised, productive and competitive modern market economy” and emphasises on the complementarity of state, market and civil society as the new model of state-society relationship (RPP Election Declaration).



electoral victory, its strong-willed effort to locate itself at the “centre” of politics with a conservative-democratic essence, as well as its government policies targeted to re-structure the administrative system and Constitutional reforms in line with the accession process to the EU, JDP has become the other, indeed the primary, political actor that is to be referred in terms of its parallelism with the Third Way.

In this respect, the Turkish case provides an interesting example that two political parties coming from different, in some senses opposite, backgrounds have tended to adapt the Third Way to the Turkish context, although they have applied different terms. According to some (Keyman and Öniş 2004: 16), it denotes a “paradox” of Turkish case that “JDP appeared to be much closer to a European style social democratic party of Third Way” than RPP, with its emphasis on cosmopolitanism, multi-culturalism, democracy and social justice. In this respect, the RPP is considered as the more appropriate political actor for the Turkish version of the Third Way politics, but only if it could realise a revision towards a “European style Third Way party” and dispose of its structural deficiencies, i.e. obstacles to be a “genuine social democratic party”, such as its “statist” legacy.

However, it is also arguable that, considering that a political movement entitling itself as *conservative* can articulate the Third Way principles to its discourse, as well as to its policies, then, the Turkish experience *must be saying something* about the Third Way, rather than reflecting a simple paradox. In other words, while the Third Way has become a key to analyse the Turkish political scene, it can also be argued that the Turkish case, in turn, provides some further material to evaluate the Third Way.

#### **4.2. A “Way” to Justice and Development**

While entitling itself as “conservative democratic party”, the JDP stresses that the ‘old’ political positions having their source in ‘old’ political reason of Cold War period should be refused. For today’s world is not shaped by ideological

polarisation, but by the “transitive” ideological positions, it necessitates new political approaches (Erdoğan 2004: 1). In this respect, the JDP declares that:

We refuse segregations borne by the Cold War period, based on the old political ideology. *Everyone who believes in democracy, respects human rights and freedoms, adopts pluralistic values, possesses ethical and human emotions, is attached to the market economy, and has a place under the roof of this Party* (JDP Party Programme 2001, emphasis added).

It is clear that the emphasis upon the “new political approach” is functional for the JDP to differentiate itself from the old identity of “political Islam” that its prominent cadres have had. The label of “conservative democracy”, then, becomes a signifier that not only expresses the newness of the JDP, but also implies that JDP embodies both the domestic cultural roots and the universal values given that conservatism represents “an acceptable and institutionalised line in the Western democracies” (Akdoğan 2004: 131). In this sense, the conservative democracy can be considered as a meaningful instrument to gain legitimacy both in the domestic and international politics<sup>64</sup>.

However, the conservative democrats also care to differentiate themselves from “classical conservatism” and some negative features associated with it such as reactionary attitudes against the innovations and maintaining the status quo. In this respect, conservative democrats relate themselves with “new conservatism”, defining it through the commitment to democracy, individual rights and market economy (Akdoğan 2004: 30). It is noteworthy that Akdoğan (2004: 31) states that the prominent representatives of this approach are the American conservatives who insist on the vitality of the “local authorities, communitarianism and religious values”.

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<sup>64</sup> The process known as “28<sup>th</sup> February”, which is the date of military reaction against the “anti-laic threat” embodied by the decisions of the National Security Council in 1997, is the key circumstance to evaluate the formation of the JDP, as well as its search for legitimacy. Although, it is out of the specific concern of this thesis, it should be noted that the “message” of the 28<sup>th</sup> February about the “limits” of pursuing anti-Western (or anti-EU) and Islamic oriented politics has been truly read by the cadres that would form the JDP (Ayata 2004; Özkazanç 2002: 211). In this respect, the 28<sup>th</sup> February can be considered as a turning point for the re-orientation of those cadres towards a pro-EU position with the aim of integration to the global order.

It can be argued that the JDP rhetorically constructs its “new approach” upon three pillars expressed in the party programme: free market economy, pluralist democracy and moral values. Since those principles are considered as the main constituents of the “new political approach” of JDP, the specific perception of the necessary dynamics of the today’s world reflects the assumptions of inevitability of the free market economy, universality of the democratic principles and the necessity of the moral structure. Upon such a framework of the “changed conditions of the world”, politics is defined as the domain of “reconciliation”, where the ‘old’ oppositions and the polarisation that always denotes “an other” have become invalid (Akdoğan 2004: 67; Erdoğan 2004: 6; 59<sup>th</sup> Government Programme). In this respect, the “identity-politics”, based on the discrimination between “we and others” should be rejected in favour of a political style that is open to reconciliation and aims to embrace all (Akdoğan 2003). Thus, “the reconciliatory and embracing politics” is based upon the dialogue and participation that entails, by reference to Giddens, a “dialogic democracy” and “democratising of democracy” (Akdoğan 2004: 67). In this sense, democracy itself is considered as a regime of reconciliation, a notion that is overemphasised within the JDP texts. As Erdoğan argues:

Democracy is the regime of dialogue, patience and reconciliation; today, democratisation at world scale is needed (Erdoğan 2004: 4, my translation).

JDP believes in that the discourses and organisational forms making a segregation between “*we and others*”, constituting its politics upon one religious sect, ethnic group or religious approach and confronting other options are characterised with an exclusive and discriminatory feature. These are the *red lines* of our Party (Erdoğan 2004: 6, my translation - emphasis original).

In line with the argument that signifies a so-called shift from polarised politics between “we and others” to a reconciliatory political understanding, JDP insists on that the “risks and threats that the world is facing with” necessitates a democratic global governmental mechanisms with a conscious that “human-beings are within the same ship [the world] with a *common fate*” (Erdoğan 2004: 3 –emphasis added). In this respect, emphasis on the “common fate” underlines

the idea of “reconcilable”, if not same, interests such that the “differences” and plurality give the *colour* of the democratic regime that is, in essence, characterised with the aim of reconciliation. In other words, “politics is the domain of reconciliation” where the global world is characterised by the same fate, rather than polarisation, and the people desire inclusive politics, rather than antagonistic ideological positions (Akdoğan 2003; Erdoğan 2004: 4). Thus, politics becomes “a means for serving people” (JDP Party Programme 2001). It is underlined that:

For conservative democracy, “politics” is a domain of reconciliation; social and cultural diversities participate into politics as colourfulness, on the basis of the tolerance and clemency that democratic pluralism generates (Erdoğan 2004: 5 – my translation).

Not only at the global scale but also in the sense of domestic order, the new conditions of the world entail a new approach to the state and society relationship. In this respect, globalisation and making of the information age undermines the validity of the traditional forms of the state and governing mechanisms. The state loses its uniqueness in holding power to control the society, and new actors emerge at local and global scales (JDP Election Declaration 2002). The state should adapt itself to the new conditions through concentrating on its “principal functions”, being small but at the same time, effective and dynamic (JDP Party Programme 2001). In this context, those “principal functions” denote creating resources, developing standards and monitoring operations.

A State should *regulate, control, and create opportunities*. It should also *encourage entrepreneurs and open their ways* rather than imposing one way to be obeyed. *Providing equal advantages* to anyone is a requirement of the prevalent democratic concept of the 21st Century (JDP Party Programme 2001, emphasis added).

The basic role of the state in economy is ensuring the free competitive conditions in markets and removing the barriers in front of the entrepreneurship (JDP Election Declaration 2002, my translation)

For the principal functions of the state does not involve producing goods and services, privatisations are vital and re-structuring of the public administration, in line with the principles of participation, transparency and efficiency that serve the

aim of achieving effectiveness, is a pre-condition. In this sense, the public administration should be re-organised based on the “governance” model that is mainly defined through dialogue and cooperation among the state, market and civil societal organisations.

In this respect, the reform that JDP proposed for re-structuring the public sector provides a suitable base to evaluate the state-society relationship that JDP reformulates. According to the reform project on public administration, the new understanding of administration that is entailed by “globalisation, radical changes, information age” should be constructed upon “privatisation, enhancing civil society and decentralisation” with a target of “good governance” (KYYY 1, 2003: 118). In the draft text of new Public Administration Law, it is maintained that the “achievements” of the 1980s, which are characterised with the neo-liberal policies led by Özal Governments, should be complemented through the reforms in public domain. In this sense, the policies sustained in the 1980s such as financial liberalisation are considered as the vital steps for the aim of “integration to the international system” which now entails the re-structuring the state:

[In the 1980s, with the reforms achieved earlier than many developing countries] the aspiration of opening the country to the rest of the world based on the free market mechanism and the competitive strategy was pursued until the 1990s. However, our country could not perceive the process, which has accelerated throughout the 1990s, properly and at the right time, as it had achieved to do in the 1980s. The “first generation” structural adjustment policies of the 1980s that have mainly focused on removing the barriers could not be complemented with the “second generation” structural adjustment policies that require the re-structure and are hard to realise. In other words, the reforms in favour of “removing barriers and liberalisation” have been realised, nevertheless the second generation reforms that necessitate the re-definition of the role of the state, as well as a general “re-structuring”, could not be succeeded so far<sup>65</sup> (KYYY 2, 2003: 71-72, my translation).

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<sup>65</sup> It is noteworthy that labels attributed to the reforms reflect the terminology of the World Bank.

The “second generation of reforms” denotes the necessary transformation of the public sector in line with the “new paradigm” in public administration. According to this new paradigm, given that the public sector cannot “compete” with the private sector in its efficiency, the public services run by the state should be transferred to the private sector; the ones that cannot be transferred to the private sector should be delivered through buying from the market or through public-private partnerships; and the residual public services should be flexibilised by adapting private sector principles to the public domain (KYYY 1, 2003: 23)<sup>66</sup>. In this respect, the new paradigm is defined through “respecting to the market” and commitment to the market means that should be applied whenever it is possible. Furthermore, the new public administration should aim to achieve the participation of the civil society through enhancing the domain of NGOs. The public sector should focus on the performance criteria and quality of the services, be competitive, devolve its power to the local governments and conceive the citizens as “customers” (KYYY 1, 2003: 23-31).

Given the conceptualisation of state-society relationship as complementary, acceptance of the market supremacy, necessity of the public sector transformation in favour of private firms’ efficient and competitive model, and the re-definition of the citizen as “citizen-customer” within the Third Way debates, the whole framework of the JDP’s reform project can be thought as the adaptation of the Third Way understanding to the Turkish case. In essence, Akdoğan (2004: 145-147) denotes the parallel features of the Third Way and conservative democracy as the attempt to provide an alternative way, re-defining the role of the state, criticism of welfare state, not to be reactionary to the process of globalisation, the sensitivity to the family and struggle against the crime, and being in favour of decentralisation. Moreover, he admits that the conservative democracy can fulfil a similar function to the Third Way played in the European context. However,

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<sup>66</sup> Those conditions are the same with the features of public reform called as “Competing for Quality”, achieved in Thatcher era in Britain, which is given as one of the successful examples of the public reform in foreign countries (KYYY 1, 2003: 45). It is also denoted that the programme of “Modernising Government” developed by New Labour complements and enhances the former reformation process.

despite those similarities, Akdoğan still maintains that these two have different contents, mainly due to that he associates the Third Way with the “left”. Putting aside the assumed “leftist” identity of the Third Way, what makes the contents different is totally blurred. The texts of JDP not only give reference to Giddens<sup>67</sup>, both in the sense of evaluation of the changed conditions of today’s world and the proposed remedies to adapt those radical transformations, but also *internalises* the theoretical position of the Third Way politics.

State, market and society are *not alternative* but *supplemental* to each other. With the synergy that is generated by them, a sustainable and rapid development can be achieved (JDP Election Declaration 2002, my translation - emphasis added).

There exists a *complementarity relationship* between the *democratic state* understanding and the *competitive market*. For fulfilling the basic needs of the societies, the *collaboration of state, market and civil society* has become *inevitable* (JDP Election Declaration 2002, my translation - emphasis added).

Not surprisingly, the search for social cohesion within the competitive market also reflects the same remedy that the Third Way offers: enhancing civil society, re-strengthening and democratising traditional social units, investing in human capital and, as a necessary base to achieve all these, promoting the notion of reconciliation of the social units by the claim of the complementary or sameness of interests. In this sense, it can be argued that the “conservative democratic” structure of the JDP provides a suitable means to defend and activate the solidarity base that the Third Way proposes. As Akdoğan (2004: 40-41) maintains, “Whatever the conjuncture and social conditions anticipate as the organisational model that can generate social cohesion, conservatism comes closer to it. (Akdoğan 2004: 40-41).

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<sup>67</sup> It is interesting that Akdoğan (2004: 30) gives references to Giddens’ conceptualisation of the new conservatism in his *Beyond Left and Right*. It is same for the roles of the family, civil societal organisations, state and religion as the guarantors of the maintenance of social order (ibid: 51); welfare dependency and its destructive affect on family (ibid: 51); the concept of tradition as a bridge between past and present (ibid: 52); conceptualisation of democracy (ibid: 62-64); the terms “dialogic democracy” and “democratising of democracy” (ibid: 67).

In this respect, the “conjuncture” signifies the “inevitability of the competitive market” which entails that the desired social solidarity should indispensably be constructed upon and within the market. On the one hand, “common interests” in the sense of achieving competitiveness in the global market both as the singular firms and the country as a whole, often takes part in the rhetoric of JDP and functions as a cement factor for labour and capital (or for “employer and employee”), as well as for the different section of the society, on the other hand, the stress on the “human capital” functions as a strategy both for “including” the vulnerable that cannot take part in the labour market and for achievement of competitive advantage in the sense of flexible and skilled labour force of the country. Yet, the role of the state in the sense of protecting the vulnerable and investing in human capital should be within the limits of “free atmosphere of the civil societal organisations” (Akdoğan 2004: 41). That is to say, the civil society should be *free* to fulfil its obligations or responsibilities to share the burden of inclusive society. In this respect, civil society should develop its “problem-solving” mechanisms, through the social units such as family and communities and also through forming “voluntary communities” to help others. In other words, the civil society should embody the “solidarity networks”.

In order to achieve the ideal of *social solidarity*, while a social democrat attempts to make state intervene into the economy and society, tries to provide (the social solidarity) on the base of the state; a conservative democrat realises that through the *voluntary foundations, civil organisations and the family*” (Akdoğan 2003, my translation - emphasis added).

Despite of the deep economic troubles, we mostly owe to our strong family structure that our society is alive. Sustainability of our *family structure, which is an essential social security mechanism at the same time*, is more important in the transformation period that we live in” (JDP Election Declaration 2002, my translation - emphasis added).

Accordingly, given the transfer of the burdens of social security to the civil society, the state could focus on its “principal functions” such as caring for the most vulnerable in the society, *including* them and being *compassionate* not to make them feel as “desolated and orphan” (59<sup>th</sup> Government Programme). Yet, in



order to allow the state to fulfil its principal functions, the “society” should commit its “responsibilities”.

In Turkey, *still* there is not much role of the private entrepreneurs in *education, health, social security*. Whereas, in those areas that the state in no way could provide resource and personnel *if an essential portion of the work is transferred to the society*, the resolution of the problems gets much easier (Akdoğan 2004: 70, my translation- emphasis added).

Given the interchangeable usage of the notions of “(civil) society – private sector” within those texts (e.g. Akdoğan 2004: 69; JDP Election Declaration 2002), the *issues* most of which “to be transferred to the society” involve both the production of goods and services by the private sector and also the generation of social solidarity by the civil society. In this sense, JDP advises those who will fail to be a “customer” of those goods and services to “cooperate” within the civil society, i.e. traditional social units and voluntary self-help groups. In essence, Akdoğan (2004: 70) underlines that the individual and civil society should be activated “within the process of transferring [an essential portion of the work]”, which is argued to be in coincidence with the search of those units for more autonomy. Within this scheme, the state has the responsibility of investing in human capital to make individuals gain skills to participate into the labour market and of being “compassionate” enough to transfer material aid just to the “most vulnerable”. The issue of education provides a suitable example of the scheme. Just like the Third Wayers in Britain, JDP conceives education in terms of human capital which is argued as the pre-condition of the “competitive advantage” of the country (JDP Party Programme 2001). In this sense, the state should promote the private sector to invest in education, the education system should be oriented to the aim of “gaining skills” and for the ones who cannot finance themselves the state should “buy the education service from the private sector” (JDP Party Programme 2001).

### 4.3. “Derviş’s Social Democracy Report”

Searching for a social democratic or centre-left alliance among the political parties, Derviş has permanently insisted on that the crisis tendency of Turkish economy is related with its divided political structure. In this sense, for Derviş, the lack of political stability is considered as the underlying dynamic that has given rise to the economic crisis, then, the main target has to be pursuing a common effort to generate a more stable, allied political formations with a conscious that “separation of political and economic domains” is vital (Derviş 2002b). The recovery of the country entails a “team spirit”, not solely in politics but also in every domain of life, by the shared sacrifices and effort of all sections of the society.

(...) We should apply the *team spirit* in all spheres, we should consolidate the rules of team game and play as a team. And, we are the people of one country, we should not injure or despise each other. On the contrary, *we should compete, but in a sense, through helping each other*. Be sure that *it is same in politics* (Derviş 2002b, my translation –emphasis added).

In this respect, he maintains that the old type of divisions and disappointments created by rigid political positions as old right and left should be forgotten in favour of a new, embracing, modern social democratic centre that is “the common interest of all of us –the craft, farmer, worker, young people, women, modern businessmen” (Derviş 2002c). In this sense, the social-liberal synthesis that is argued as the common future of the society as a whole, is the only way to activate the potential of country through the integration of competitiveness to the social cohesion, as above quotation suggests, and also through the complementarity between market, effective state and social justice.

A strong market economy, social justice and social sensitivity, fraternity, humanism and an effective state. Those three features have to come together. Modern democratic synthesis or social liberal synthesis is that and this is a synthesis open to the whole society (Derviş 2002c –my translation).

Deniz Baykal, the leader of the RPP that Derviş chose as the address for the social-liberal synthesis, interprets such synthesis as the re-structuring the state-

society relationship as well as a new understanding of the relationship between economy and social values (Baykal 2002). Then, it is the chief role of modern social democracy, Baykal argues, that the competitive market economy should be complemented with the social solidarity. This synthesis is considered as the only receipt to create a “happy society”.

The rigid rules of the economy will operate; the compassion, solidarity, love, cohesion feelings of the social democratic understanding will operate, too. (...) We all know the rigid facts of the economy. But it is not the all, we also know the human love in one side of our hearts, the feeling of social solidarity, the responsibility to people’s fate, our moral duty not to leave anyone to his fate and not to leave them alone (Baykal 2002 -my translation).

In this respect, associating the social responsibilities of the state with a “moral task”, the social democracy is re-defined through the feelings of compassion, solidarity, love and cohesion, rather than universal rights of social security, in line with the Third Way conceptualisation<sup>68</sup>. The state, in this framework, is denoted as the “organisation for servicing to the public” (Baykal 2002)<sup>69</sup>.

Thus, it can be concluded that just like the JDP, the RPP has oriented itself to a Third Way rhetoric on the eve of the general elections of 2002, which has resulted

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<sup>68</sup> It is noteworthy that parallel to that conceptualisation the Party defines itself at the “centre”, embracing all. Although the centre or centre-of-left has always been the main denominator of the RPP, the party programme dated 1994, can be considered as a good example of the shift in party rhetoric: “Social Democracy does not mean an unfair attitude directed at one side of labour and capital by locating itself at the opposite camp of one or another; it is nor a politics that limits itself with caring the interests of only one section of society. Yet, as a result of the political preference, social democracy and the RPP, explicitly and clearly, take place on behalf of the labour (...) In Turkey, large section of the labour is the most exploited social group being devoid of social rights”. Now, the labour is considered as one of the constituents of the social target of the Party, just like the business.

<sup>69</sup> Baykal (2002) underlines that the state should be for the public, not vice versa. It can be thought as an attempt to re-imaging the RPP, which has always been criticised for being a “statist or elitist party” that pursues its old consideration, embodied in the famous slogan of “*halk için halka rağmen*” in the 1930s.

in a two-parties parliamentary composition with a majority of the JDP<sup>70</sup>. The election results are generally appreciated as a chance for political stability under a single majority party government, while the RPP is criticised for failing to realise a better performance. More interestingly, given that both the JDP and RPP has attempted to embody the Third Way principles in their rhetoric and have declared their loyalty to the same transformative reforms in governing structure, to the same economic programme proposed by the IMF and the common ambition to achieve EU membership, the parliamentary opposition has become a problematic issue for the RPP. The internal debates upon the new directions of Party have continued and further adaptation of the Party to the Third Way line has constituted an axis of the discussions. Derviş, as the strong-willed figure advocating the transformation of RPP in line with European social democratic parties, has insisted on the necessity of a “genuine” orientation in the Third Way thought. The so-called “Derviş’s Social Democracy Report” (Derviş and Işık 2004) can be evaluated in this respect.

Beginning with the typical Third Way argument that both the socialism and neo-liberalism has died, in addition to the bankruptcy of old welfare state, Derviş and Işık (2004) hold that the social democracy that is needed a new reformation process, is the only way to create a progressive vision. In this sense, the authors denote the necessity to generate a modern social welfare state that should concentrate on mainly two targets: sustainable growth and just distribution. These two targets can only be realised by a new division of labour between the state and market. The private sector that is the motor force of growth should be encouraged and enabled by the state, and in order to fulfil such an effective role the state should regulate the market, promote the competitiveness, generate regulatory institutions and take care of social miseries.

The guiding motive of the economy is market mechanism, competition. Yet, it is obligatory that the market mechanism is effectively regulated and its frame conditions are created by the

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<sup>70</sup> As a result of 10 % national threshold, JDP gained the 363 seats with a vote rate of 34.28 %, while RPP gained 178 seats with a vote rate of 19.39 %.

state. Under today's conditions, regulation of the market entails a great expert knowledge which assigns, mostly out of the direct production<sup>71</sup> but a very effective functionality of the state (Derviş and Işık 2004 –my translation).

Such a regulatory role of the state necessitates the re-organisation of the public sector, since the effectiveness of the state is depended on the achievements in transformation of the clumsy bureaucratic structure to a rationally functioning and smaller mechanism that benefit from private sector partnerships.

The reform of public administration in line with the regulatory state constitutes the essential part of the Report. In the sense of the social responsibilities of the state, two main domains of social policies are referred: health and education. Although it is not deeply evaluated, it is argued that the technological changes in the sector entail new rights and responsibilities of the citizens. The diversity in individual features and needs, according to Derviş and Işık, necessitates personally shaped social services. In other words, the authors propose, in a sense, “flexible” social services oriented to the individual features. On the other hand, the emphasis upon the education reflects the Third Way sensitivity of human capital that denotes the “competitive advantage” of the individuals and the nation as a whole. Very similar with Giddens’ account that insists on the investment in human capital to make individuals adaptable to the necessities of the “information economy”, the authors of the Report consider the education as a means for participation to the economy through enabling individuals more “marketable”.

Wherever possible, the policies to enhance capacities of individuals, sections and sectors, and to make them contribute to the productive employment should have a priority (Derviş and Işık 2004 –my translation).

According to Report, given that globalisation as an inevitable process having its roots in the technological transformations, the social democracy should adapt itself to the globalisation which signifies that “both the problems and resolutions

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<sup>71</sup> Here, “mostly out of production” denotes that the state should still provide infrastructure, investing in the sectors that private firms do not take place (Derviş and Işık 2004).

have gone beyond the national constraints” and should promote the generation of universal laws and mechanisms, at the global scale. In this sense, multilateralism, democratic legitimacy and supremacy of law compose the essence of the global vision of social democracy that makes the European Union an important experience<sup>72</sup>.

It is noteworthy that in the sense of two main targets that the Report proposes, the flexible productive units are denoted as the conditions of sustainable economic growth. At issue of the other target, achieving social justice, there is an increased stress on the role of the state. In this sense, it is admitted that even the competitive market will certainly generate growth and the strengthened, active civil society will inevitably promote social solidarity, in every case there will remain some sections of the society that could not benefit from the opportunities. Thus, the state has to fulfil its mission to secure those, in a sense, most vulnerable, excluded individuals, in the sense of guaranteeing their access to the education and health services<sup>73</sup>. Yet, the attitude of the state in favour of the ones who cannot finance their insurance payments, for instance, should not be confused with an old statist approach.

We should express that the social state is not a clumsy, prohibitory and the one that creates a huge burden; what we are targeting is, on the contrary, the state that is effective, appropriately supports the citizen, regulates the market without

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<sup>72</sup> It is noteworthy that Derviş insists on the essentiality of process of reforms based on the EU agenda for the stability of Turkish economy and politics. In this sense, Airaudo, Derviş et.al (2004: 25) points out that “the new legal and institutional framework” should be complemented with “a new behaviour by public and private agents”. EU process of Turkey, is thought to play a critical positive role for the consolidation of stability.

<sup>73</sup> As a participator of the “summit of progressive political leaders” for which the *Progressive Manifesto* has been prepared by Giddens et.al, Derviş seems to formulises the roles of the state in line with the “ensuring state” or regulatory state, which denotes sensitivity of the state to the well-functioning of market and other non-state agencies in service delivery. Given that the former negligence of the fact that social miseries caused by the neo-liberal policies are much more catastrophic in Turkey compare to the Western societies, this time Derviş and Işık give more reference to the non-western experiences, such as Brasilia under de Silva government, to underline the need of caring social dimensions particular to each society.

damaging it or aims to make market to function better. We should express that our statism is not a statism against the market, against citizen and against civil society, on the contrary that it is a statist approach that is entailed for the better and healthier functionality of all the related institutions in favour of benefits of all (Derviş and Işık 2004 –my translation).

#### **4.4. Evaluations on the “Turkish Third Way”**

Keyman (2002) has stated that the 3<sup>rd</sup> November national elections would be an election between the forms of consolidation of the Third Way in Turkish context. From this respect, the “communitarian (or conservative)-liberal synthesis” that the JDP proposes and the “social liberal synthesis” that the RPP advocates are considered as the different forms of the Third Way thought, while M. Erdoğan (2002) highlighted the “communitarian” essence of the RPP’s social-liberal synthesis. This, in essence, reflects the various conceptualisations of the Third Way, as a *new social democratic project* or as a formation echoing the *old arguments of the right*. The issue gets more confusing, when the JDP, as well as the Third Way, is associated with socialism, by entitling the JDP as a more community-friendly version of the Blairite Third Way: “I see the ‘market economy with a socialist face’ at the JDP” (Kadioğlu 2002). In this sense, the parallelism between the Third Way and the JDP, as well as the RPP, has already been noticed in Turkish debates while the various positions within such debates have been shaped through the various accounts on the very nature of the Third Way.

According to Kahraman (2000: 132), the Third Way appears as a remedy to the crisis of social democracy as a result of “the crisis of modernity”. In this sense, Third Way reflects a project for transforming the modernity and responding the globalisation that is the underlying dynamic of the crisis of modernity. In line with that, Third Way composes a new political formation that focuses on democracy, which gains a primacy over economy, mainly through the themes of cosmopolitanism and global governance. On the other hand, as a “social democratic project” of the global era, the Third Way line is hardly applicable by

the “Turkish social democracy”<sup>74</sup>. For Kahraman (2000: 131), Turkish social democracy embodies the “archaic” approach at issues of laicism, nationalism and elitist statism owing to its background as constitutive actor in formation of “modern” republic and legacy of Kemalism embodied in the commitment to the “six arrows”. Thus, the Turkish social democracy should realise a deep reformation process through which it reviews its epistemological limitations, insofar it tends to manage its crisis and to adapt the Third Way –not necessarily the same model but a changed version of the Third Way.

While Kahraman considers the Third Way as a *progressive* stage for social democratic line in terms of dealing with its crisis, from another perspective Çulhaoğlu (2000: 136) insists that the Third Way is a *backward* position that reflects a shift from traditional social democracy to the neo-liberal right. Similarly, Çavuşoğlu and Yalçıntan (2000: 148) holds that the Third Way is far from being progressive, intensifies the capitalist system through naturalising the exploitation and inequality within capitalism. For the authors, the Third Way depends on a specific definition of the globalisation as an inevitable, irreversible process without any alternative and doing this it shares the argument of the “end of history”. Thus, the Third Way emerges as a hegemonic attempt that presents itself as the only alternative beyond the out-dated ideologies of the right and left while, in essence, aids to sustainability of the capitalist order. Thus, the hegemonic discourse of the Third Way is embodied in its reconciliatory and comprehensive approach with a misleading notion of “participation” into the process which is argued to be without an alternative (Çavuşoğlu and Yalçıntan 2000: 153). Therefore, the Third Way is nothing other than the attempt for the consolidation of neo-liberalism and cannot provide “left” politics appropriate to the current conditions.

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<sup>74</sup> In this sense, the term “Turkish social democracy” refers mainly to the RPP and its historical evolution beginning from the late 1950s, but also other movements and parties, such as Social Democratic Party (SODEP) and Social Democratic Populist Party (SHP) that emerged in the post-1980 period and mainly formed by the old cadres of the RPP (Kahraman 2000: 116-117).



In this respect, given that Third Way does not propose economic and social policies different than neo-liberalism and internalises the neo-liberal definitions, of market, flexibility, and competitiveness for instance, it provides an ideological framework for neo-liberalism. Çulhaoğlu (2000: 138) maintains that while giving rise to the atomisation of the society, although neo-liberalism could not replace the other ideologies it has made them ineffective through achieving the depoliticisation of the masses by particular policies. Then, admitting the basic presumptions of neo-liberalism, the Third Way provides the ideological means that neo-liberalism could not develop. In this sense, Çulhaoğlu (2000: 145) argues “even if it is supported by the social measures of the Third Way that are based on civil society”, a programme targeting further removal of the state from the provision of social services inevitably creates social miseries in Turkey, more catastrophically than European countries which have had a strong social welfare mechanisms.

As an opposing argument, Keyman and Öniş (2003) appreciate “Turkey’s delayed encounter with the Third Way” that 3<sup>rd</sup> November general elections symbolise. That is to say, only the parties that have achieved to adapt themselves to the “new agenda”, which is represented by the Third Way, could obtain electoral success. The encounter with this new agenda is “delayed” since the country has been under the rule of nationalist coalitions during the late 1990s. Yet, it is still an encounter due to the fact that both of the winners of 2002 national elections embody the Third Way agenda in their, especially economic, programs<sup>75</sup>. For the authors, the “global Third Way” is:

(A)n alternative mode of societal and economic modernisation that attempts to establish a linkage between state, economy and social justice, in order to cope with the serious challenges that globalisation has been generating on national societies (Keyman and Öniş 2003: 6).

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<sup>75</sup> The authors further elaborate their argument in Keyman and Öniş 2004 by noting that such an encounter by the 2002 elections is related with “the need to regulate the free market and to respond to social justice issues through an effective, democratic and ensuring state emerged as an overriding concern in Turkey, and thus constituted the defining nature of the November 2002 general election” (ibid: 4).

According to the authors, in this respect, the Third Way generates an answer both to the neo-liberal free market ideology and to the state-led nationalist development strategy, through its formulation of a “mix of effective state and regulated free market”, which is truly internalised in the economic programs of JDP and RPP. However the JDP has succeeded to voice those features more effectively and persuasively, given that its economic arguments were “more humanistic” than Derviş’s proposals embodied by RPP (Keyman and Öniş 2003: 9). In this instance, in its economic program the JDP successfully articulates three basic principles that are an “effective and post-developmental state” which refers to a democratic, accountable state sensitive to the needs and demands of the society; “a regulated free-market” and “social justice” with an awareness of the distribution of wealth and inclusive attitudes are needed to achieve this aim (Keyman and Öniş 2003: 11). For the authors, this is a “communitarian-liberal synthesis” which denotes:

(A)n articulation of the free-market with communitarian values, religious beliefs, societal norms and local traditions. (...) communitarian-liberal synthesis calls for a just society not organised on the basis of pure egotistical individualism, but as a democratic regulation of the state-society relations in which free market rationality is backed by, in the AKP government’s Prime Minister Abdullah Gül’s words, ‘moderate and democratic Muslim society’ (Keyman and Öniş 2003: 11).

In this sense, the JDP could transcend its Islamist legacy and could prevent itself from marginalisation. It also committed to an ideal of “genuinely pluralistic and multi-cultural society” which has made the Party come closer to the European social democratic parties of the Third Way line. On the other hand, according to authors, the RPP failed mainly due to its *liberal economic program* prepared by Derviş “in accordance with the unquestioned acceptance of the IMF structural adjustment program” that lacks of addressing the issue of social justice, poverty or the problems of small and medium-sized enterprises and also due to its statist legacy both of which kept it from generating a true linkage with the society. Thus, the RPP “increasingly projected the image of an archaic, highly conservative political entity” that is negligent about the domestic demands and global dynamics

(Keyman and Öniş 2003: 14). Therefore, the authors conclude, although there are some challenges in front of the JDP, its success both in terms of electoral victory that generates stability and also in the sense of embodying a Third Way agenda, has created the possibility of and the conditions for economic recovery and democratisation. As they state:

The mutual effort of the AKP and the civil society to achieve democratic consolidation, we believe constitutes a necessary precondition for the success of Turkey in its delayed encounter with the global Third Way (Keyman and Öniş 2003: 22).

However, it seems that Keyman and Öniş revise their proposal later on, although most of the arguments are kept unchanged. In this respect, they evaluate Turkish Third Way experience as a paradox that a moderate Islamic party, the JDP, rather than “the so-called social democratic party, the RPP, has voiced the principles of the Third Way more effectively (Keyman and Öniş 2004: 4). Despite that, the authors suggest that the JDP can only represent a “pseudo-global third way politics” given that it is “still an identity-based party with an Islamic past and constituency”<sup>76</sup>. Then, the RPP, is the potentially better candidate for providing a “genuine” global third way political line. Yet, in order to realise such potential, the RPP has to transform itself and dispose of its deficiencies such as its state-centrism, nationalism and out-dated notions of national security and sovereignty, which underlie its inability to adapt itself to the Third Way, as well as its marginalisation in the sense of its dissolved linkage to the society. In this sense,

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<sup>76</sup> Within the same text, the authors also denote that the JDP consolidated its position at the centre politics and further expanded its electoral support (Keyman and Öniş 2004: 19). Furthermore, it is underlined that the JDP committed to its cosmopolitan stand through its strong-willed steps for integration to the EU (ibid: 20). Then, it can be asserted that those achievements of the JDP display that the Party has gone well beyond to being an Islamic “identity-based party”, contrary to the authors’ emphasis. On the other hand, it is noteworthy that the EU process may help to enlarge the “religious freedoms”, such as headscarf, and it is one of the concerns of the JDP. Öniş (2004: 8) interprets such a tendency as JDP’s concern to “protect itself against hyper-secularism of the state elite”.

the authors denote the position of Derviş within the Party, as a proponent of, in a sense, a genuine Third Way politics (Keyman and Öniş 2004: 24-26)<sup>77</sup>.

Although they entitle the JDP as an actor of “pseudo” Third Way politics, Keyman and Öniş (2004: 25) make an essential determination that the Turkish case displays that the political parties that do not have any association with the social democratic tradition can also adapt to the Third Way. They also draw attention to the impacts of the Third Way which can easily be observed in the European Union, the World Bank and the IMF. They entitle the so-called “post-Washington Consensus” as a clear manifestation of the Third Way ideas. In this respect, given their acceptance that the Third Way occupies a hegemonic position in the present political context and that the Third Way can also be embodied by a moderate Islamic party, what makes them to argue that JDP is pseudo, whereas RPP potentially is a genuine address for Turkish Third Way becomes blurred<sup>78</sup>. It seems that Keyman and Öniş tend to associate the Third Way with the cultural aspects more than the economic-social features, considering that they propose the identity-based nature of the JDP as an obstacle, while arguing in favour of Derviş whom they formerly denoted as “less humanistic” in his economic programme.

More importantly, Keyman and Öniş conceptualise the Third Way without any reference to its “community-based” approach, which is, as Giddens and others

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<sup>77</sup> Later on, Keyman (2005a) again revises his position and argues that the RPP cannot be the platform for the “renewal of the social democracy” which entails the review of Party position at issues of “globalisation, re-structuring the state and state-economy relationship, the principle of social justice and a new understanding of citizenship based on rights and responsibilities” (Keyman 2004). That is to say, Keyman underlines the need for transformation of the social democracy in Turkey by adaptation of the Third Way agenda, a task that the RPP cannot fulfil. Yet, after a while he states that “we cannot import the Third Way or demand that the Left to imitate the Third Way, it would be wrong” (Keyman 2005b). Within the same text Keyman, as the first time, criticises the Third Way denoting that to what extent it is on the right or on the left and social democratic, is contentious.

<sup>78</sup> It is further confusing that Keyman and Aydın (2004) denote the functionality of the JDP in democratisation of Turkey and state-society relationship in Turkish context through the governments loyalty to the Copenhagen criteria alongside other factors such as strengthened civil society, which makes Turkey closer to a stabilised democracy like European countries.

draw attention, vital constituent of the model they offer to generate social solidarity on the basis of a competitive market. It may be such negligence in their evaluation of the Third Way that prevents Keyman and Öniş from referring to the further association between the Third Way and the JDP. In this sense, the parallelism between the “communitarian-liberal synthesis” that JDP proposes and the functionality of communities as an intrinsic feature of the Third Way is ignored.

It is noteworthy that İnsel (2004: 24) draws attention to the JDP’s commitment to the “democratic market society and economy”, as it is stated in the Programme of the 59<sup>th</sup> Government led by R.T. Erdoğan, which makes the Party a more ambitious actor than its right predecessors in the sense of achieving a transformation towards a genuine competitive market economy. İnsel (2004: 27) suggests that it signifies the Party’s “new conservative” essence that is embodied in anti-welfare state approach, great loyalty to the competitive market, and in line with that appreciation of the market society in which the traditional units, including family and traditions, are re-defined through the necessities of the market. This can be observed in JDP’s approach to the social security and justice:

(the approach of JDP) is signalling that the resolution of the social problems is transferred to the market relations, institution of the family and community-kinship relations; in short, rather than an institutional solidarity system among the citizens and generations, it is transferred to the responsibility of a system based on private efforts and relationships (İnsel 2004: 27 –my translation).

In essence, the domain that the JDP denotes for the resolution of the social problems, i.e. market and community, is the same receipt that the Third Way proposes. Considering its community based support, it can also be argued that the JDP provides a more appropriate base for the consolidation of the Third Way in the Turkish context. Yet, it is equally important to take into account that the JDP coincides with not only the community-based resolution for the social solidarity but also with the aspiration of “integration to the global markets” which has become the hegemonic feature in Turkish politics, within the process beginning from the 1980s (Yalman 2002: 336). However, given the turbulent of hegemonic

crises during the 1990s, beginning of the 2000s has been characterised by the search for stability in terms of both economics and politics. Özkazanç (2002: 210) points out that the need for a political actor to bind the hegemonic strategy of bourgeoisie on the base of integration to the global order, which is crystallised in the will for accession to the EU, may properly be responded by the JDP, given its ability to echo the disadvantaged groups within the society<sup>79</sup>. Despite of the risks that the JDP may face with, Sancar (2002) also considers that it is the JDP that potentially has the capacity to be most appropriate political actor for establishing hegemony of “capitalist globalisation project”.

Turkey has arrived at 2000s with the search of the groups, which support the capitalist globalisation project, for the political actors proper to that project (...) Those searches coincide with the JDP’s ability to maintain the ‘classical’ politics<sup>80</sup>. In so far that ability combines with the accomplishments of creating a distance with its ‘fanatic’ past and breaking away its past, at least at organisational level, the JDP emerges as the best architect of *hegemonic restoration* of the present context. The potential for explaining the globalisation policies to the different sections and articulating their interests to the globalisation is present at most –due to its organisational/ideological power-- in the JDP, for now (Sancar 2002: 74 –my translation).

In respect of globalisation, the JDP benefits from the structural aptness of its social base, that is, small and medium sized enterprises as the heritage of political Islamic movement (Bora 2002: 33), to the integration to the global markets. As Güllalp (2003: 45) proposes, those groups, recently known as ‘Anatolian Tigers’, have benefited from the advantage of export-oriented accumulation regime of post-1980 period, through the “competitive advantages” that their structural features provide. In other words, these enterprises characterised with the

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<sup>79</sup> Here, Özkazanç (2002: 211) draw attention to the image of JDP as an “injured” movement as a result of 28<sup>th</sup> February process, in the eyes of people who also feel closer themselves culturally to the conservative features embodied in the Party. Accordingly, the author thinks that its social support provides JDP to articulate short-term demands of the masses to the long-term interests of bourgeoisie, which makes it potentially the most appropriate political actor for the needed hegemony.

<sup>80</sup> Sancar (2002: 72) points out that the classical type of ‘doing politics’ is characterised with being based on the specific social powers, having ability to organise those social sections politically and having a well-defined ideological interpellation system.

unorganised labour, flexible and small productive units could have an opportunity to integrate into the global economy that has increasingly tended to subcontracting and informal sector (Gülalp 2003: 124; Koyuncu 2002: 360). In these enterprises the flexible structure with unorganised labour composition is supported with an Islamic cultural framework where the employee and employer is supposed to be “brothers and sisters” that replaces the organisation of labour with traditional solidaristic discourses and networks (Buğra 2004: 136-137). Coming to the 1990s, such Islamic oriented or ‘green capital’ has achieved to grow and to voice its demands to be a more effective capital actor, through gaining more stakes in state subsidies (Buğra 2004: 134) and enhancing its competitive advantages in global markets<sup>81</sup>. That is to say:

The political Islam in Turkey emerges not as a means of opposing to the globalisation, but as the means for conformity with the global order and for achieving a more advantaged position within that order and as an attempt to generate a solidarity network that will be able to help to achieve this aim (Gülalp 2003: 12 –my translation).

Thus, it can be argued that the JDP has a social class base, which is in a sense the heritage of its Islamic background and is itself transforming within the process of integration to the global markets<sup>82</sup> that makes it compatible with the project of global integration, which has consistently been advocated by the big capital groups<sup>83</sup>. Such a settlement between the capital groups in the will of integration to

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<sup>81</sup> So-called ‘green capital’ organised in MÜSİAD (Independent Industrialists and Businessmen’s Association) with those aims, in 1990.

<sup>82</sup> Ayata (2004) denotes that the emergence of a “globalised elite” in Islamic groups underlies the change in their economic and political vision, as well as their life styles. The rejection of former “Islam state” ideal against the Western modernism has gone hand in hand the rise of the notion of “social Islam” involving the family structure, solidaristic networks and moral values. In other words, JDP embodies the project of “social Islam” that is coincided with a Western type competitive market and that does not obstruct benefiting from modern technology. This is also called as “protestant Islam” denoting the features of strong family structure, hard-working and self-actualisation that are admitted as “servicing to the God” (Ayata 2004).

<sup>83</sup> That at the same time generates a challenge for the JDP, in the sense of possible interest conflicts between the capital fractions (Bora 2002: 33). Yet, it seems that the policies pursued by the JDP so far have sustained to be supported by the capital groups. Although there emerged some opposing arguments by MÜSİAD (MÜSİAD Report, 2003) that has

the global markets, which entails structural changes in state-society relationship in line with what the Third Way proposes, can be considered as the factor underlying the sincerity of the JDP to achieve a “genuine” transformation towards a Third Way politics. The success of mobilising the “community based” networks that Islamic oriented parties have achieved so far<sup>84</sup> provides JDP a concrete social base to voice the Third Way’s arguments about the *active civil society* generating self-help mechanisms based on the principles of mutualism and individual responsibilities. In essence, as Şengül (2000: 249) denotes it would be no exaggeration to hold that “the most essential actor of the whole Third Way imagination is the local community”. On the other hand, considering its distance to the discourse of community-based social organisation, which has associated with Islam in Turkey, it can be asserted that, the RPP fails to be convincing in its rhetoric of solidaristic networks based on traditions and common values. Besides other factors, then, this can be considered as one of the axes that create a tension within the Party in its endeavour to internalise the Third Way politics. In other words, although there is a tendency towards the negligence of the community-based approach embedded in the Third Way model, community is an inevitable constituent of the Third Way and functions as the necessary formula of its search for the social solidarity within the competitive market. Given the Third Way’s key notions “family-voluntary organisations or (voluntary) communities”, for the base

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criticised both the existence of capital groups that do not sacrifice for the sake of a productive economy (i.e. ‘big bourgeoisie’ organised in TÜSIAD –Turkish Industrialists’ and Businessmen’s Association) and also some aspects of the IMF programme, it is also underlined that the “business world is satisfied with the Government’s attitude to resolve the problems of the business that is essential for the economic agreement”. On the other hand, TUSIAD has declared its satisfaction with the JDP governments’ commitment to the IMF Programme, to stability and with its foreign policy (Öniş 2004: 20). More generally, it can be asserted that the “common good” that JDP proposes is the accomplishment of the EU membership as well as the transferring the “burden” of social security mechanisms to the social networks. It is equally important that JDP Governments also gained the trust of the international finance capital given that it “displayed a strong commitment to the basic principles of fiscal stabilization and structural reforms embodied in the IMF program” (Öniş 2004: 11).

<sup>84</sup> White (2004: 129-161) elaborates the mobilisation of the voluntary work at local levels via Islamic oriented foundations supported by the municipalities led by Welfare Party, most of the social base of which has been represented in the JDP today.



of social solidarity, which can be considered as the main target of the project, then, as Akdoğan (2003) states, it is conservative tradition that has a much more closer position to that receipt<sup>85</sup>.

It is what makes plausible the argument that the JDP is a more appropriate political actor, than RPP, for the consolidation of the Third Way in Turkish context. Therefore, the experience of JDP and its adaptation of the Third Way generate a further dimension that brings out the “conservative” features of the Third Way. In essence, as Giddens argued:

(...) traditions, in some guises and in some contexts, surely do need to be defended today, even if not in the traditional way. *Traditions need to be saved, or recovered in so far as they provide generalizable sources of solidarity.* (...). As understood in the usual ways, therefore, conservatism has collapsed or become self-contradictory. Some of its key ideas, however, acquire a new relevance when removed from their original contexts. *We should all become conservatives now, but not in the conservative way* (Giddens 1994b: 48-49—emphasis added).

In this sense, it can be argued that Turkish case contributes to the evaluation of the Third Way through providing an important example displaying the hegemonic position of the Third Way understanding in current political conjuncture. Coming from, in many senses, *opposing* political backgrounds, both the JDP and RPP embody the fundamental principles of the Third Way. In this sense, the complementarity of the state, market and civil society; the redefinition of the role of state; the essential concern of social solidarity based on common moral values and common interests within the society; and conceptualisation of reconciliatory politics are the common elements of the texts, policy proposals and reports of the JDP and RPP. On the other hand, the JDP entitling itself as conservative democratic party, provides a more appropriate political base for the consolidation

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<sup>85</sup> It should also be noted that there exists an endeavour for emphasising the functionality of the religion as a “motivating factor” for economic development, for social cohesion and consolidation of democracy –in so far as Islam is itself democratised- since the freedom of conscience and expression also involves the freedom of faith (Akdoğan 2004: 86). In this sense, “democracy” is functional, in turn, for enlargement of the religion of faith.

of the Third Way in Turkish case, owing to its political heritage that has been very effective in activating civil society based on communities and its aptitude to voice the moral values. It can be added that considering that in Turkey the welfare state mechanisms could have never been developed as they have been in the European examples, the neo-liberal policies have resulted in more disastrous social miseries, which strengthens the roles of families and communities to generate self-help mechanisms. In this sense, the traditional values gain a vital functionality in provision of the base of social solidarity. In essence, it is what the Third Way argues while it insists that those social units and traditions should be reinforced and, in a sense, be updated through encouraging “democratic” relations within them. This, in turn, provides a base for JDP’s consolidation in the Turkish political structure such that it becomes the most appropriate actor for generating social solidarity while the rhetoric of “pluralist” democracy is hoped to play an important function for the acknowledgement of the JDP’s social base with its “differences”.

In essence, considering its indispensable elements such as family, local communities, shared moral values, responsibility, tradition, limited role of the state in provision of public goods and services, the Third Way theory has *potentially* conservative dimensions in the sense that it applies those themes in so far as they function as the means for social solidarity. In this sense, the commitment to the competitive market together with the belief that the state should withdraw from its redistributive roles, inevitably paves the way for articulation of those themes in a conservative manner. That is to say, not the themes themselves but the way that the Third Way articulates them has a potential conservatism in so far as community become the chief address for providing the social solidarity and for managing the market miseries. Moreover, given the fundamental assumptions of complementarity of “old oppositions” and reconciliatory, or common, interests within the society, the Third Way model omits the *social conflicts* from its agenda, which is also in coincidence with the conservative understanding of the society as a *harmonious* organism. In this sense, it is not necessary to have a social democratic background to adapt the

Third Way principles, on the contrary even it can be argued that conservative tradition is a more appropriate political position to realise the Third Way model, as Turkish case exemplifies.

## **CHAPTER V**

### **CONCLUSION**

The Third Way, as a product of the political atmosphere in the late 1990s, can be considered as a model attempting to complement the competitive market order with social solidarity to be obtained in an active civil society composed of communities embodying common moral values. In other words, the Third Way is an endeavour to cope with the neo-liberal dissolution that has given rise to the social miseries, such as unemployment, poverty and dissolution of the social cohesion. In this context, the Third Way approach draws attention to the needed regulation of markets and criticises market fundamentalism of neo-liberal period. On the other hand, it also criticises the traditional social democracy for its hesitated approach to market mechanism and appreciates the market for being the most efficient and dynamic mechanism. The market mechanism, in the Third Way account, is not only inevitable but also desirable given its efficiency and liberating potential. However, the central concern of the Third Way suggests that this indispensable feature, that is, competitive market, should be supplemented by the social solidarity. In this sense, the Third Way is characterised with its attempt to create a balance, or a complementary relationship between “competitive spirit” of market and “community spirit” to achieve social solidarity. In this sense, the current hegemonic position of the Third Way understanding can be associated with its provision of a model for social solidarity which has been the common central concern in politics, beginning from the 1990s.

It can be well argued that the model that the Third Way proposes to achieve social solidarity is depended on the specific account of the “radically changed world” of which the main dynamics are globalisation, emergence of post-traditional order, raise of social reflexivity and manufactured uncertainty that are explained in the

second chapter. In this context, the Third Way re-defines the state and society relationship, the roles and responsibilities of the citizens and also the key notions such as equality, on the base of the assumption that the new conditions of the today's world have rendered the market mechanism superior, promoted individual and social reflexivity and necessitated the community-based solidarity building within the civil society. In other words, depending on such specific account of reality, the Third Way produces specific proposals in order to adapt that changed reality. Thus, the assumed elements of change that are taken-for-granted in the Third Way theory are used for legitimisation of the Third Way proposals. The conceptualisation of "social reflexivity" in the Third Way theory is a good example of such functionality of the elements constituting the "radically changed world" in the Third Way account. In this sense, the Third Way presumes the very existence of social reflexivity, while at the same time denotes it as a target to be achieved. The term is applied, in a sense, as a joker associated with the autonomy that individuals have gained through the expansion of the issues about which they take decisions and with the social awareness of reciprocal responsibilities that the expansion of interdependency within the society entails. Moreover, social reflexivity is conceptualised as an *opportunity* for the society to self-organise itself which is also a *necessity* given the removal of the state from its former roles of providing social security mechanisms. In this respect, social reflexivity is presented as an already existing feature of the changed world, as a target necessary for adapting individuals to the change and also as an opportunity for self-organisation of the society. On the other hand, the social reflexivity is also an essential feature for the Third Way's notion of individual who is both self-reliant, capable to manage risks by him/herself and also active in fulfilling his/her responsibilities involving participation to the social organisations to help others. Then, expansion of the social solidarity is also associated with the desire of more democracy which denotes the autonomy of civil society from state and active participation of the individuals to the self-help organisations. Thus, the functionality attributed to social solidarity allows the Third Way to apply the term for legitimising its core idea that the state neither able nor have to provide social

security for the society which is reflexive enough to generate self-help mechanisms by itself.

The specific account of change is also assumed to provide the ground for conceptualising the old oppositions as complementary which constitutes one, if not the most, essential element of the Third Way theory. In this sense, the proposals for managing the change with the aim of generating social solidarity are mainly constructed upon the complementarity of the roles that the state, market and civil society should play. In essence, such complementarity denotes a new division of labour among state, market and civil society through which most of the responsibility for obtaining social solidarity is attributed to the civil society. It can be said that in the Third Way theory, the civil society is a blurred theme referring both to the non-governmental organisations, local communities, the third sector, i.e. voluntary communities, and also to the sum up of active citizens, democratic families and neighbourhoods. In this sense, civil society is applied as a “wide community” sharing some moral values such as reciprocity, responsibility and solidarity. What is at stake here is, however, the transfer of the social security mechanisms from the state to the civil communities which is assumed to be a more democratic way of resolving social problems, and more importantly, to create a more “inclusive society”. As it is stated above, the expansion of social solidarity is proposed as the main dynamic that have render such a model possible to realise. In this context, it should be underlined that such expectation of social solidarity from the community-based organisation of the civil society not only neglects the possible conflicts between and within those communities but also ignores one essential point that a strategy based on the communities which inevitably have different facilities and possibilities in accession to resources can consolidate or easily intensify the social inequalities within the society. That is to say, beside other weaknesses of the Third Way assumptions that take for granted the conditions for social solidarity, the model also suffers from a *naivety* that ignores the possible undermining effect of the communities on social solidarity through deepening social inequalities.

As it is mentioned in the third chapter, the notion of citizenship is at the centre of the Third Way model proposed for achieving social solidarity through ensuring “social inclusion”. Here, the social inclusion refers to the citizenship that is defined as being a member of the society. In this context, “feeling as a member of the society” is argued to entail participation to the labour market or at least being employable and also participation to the self-help communities through which the citizens being aware of responsibilities become active participants of generation of social solidarity. In other words, the Third Way argues that the inclusive society, or social solidarity, can only be achieved through a “common morality of citizenship”. The important thing here is the shift in the common base of citizenship from the universal *social rights* that the welfare state aimed to provide through redistributive mechanisms to the common morality that is depended more on responsibilities than rights. In this sense, while the redistribution, which is criticised for being unfeasible and undemocratic, is rejected, the moral values of citizens and the solidaristic bonds within the communities are admitted as the bases of an inclusive society. Furthermore, given the definition of being citizen through participation to the market and communities, then, the Third Way’s account of citizen can be considered as the agent that combines the competitiveness and solidarity in itself.

In this context, again based on the account of changed conditions, the Third Way’s claim that “old oppositions” have become invalid gains an essential function. In essence, it is argued that the concepts that are formerly perceived as antagonistic can be re-conceptualised as complementary. In this sense, not only the state, market and civil society but also the *competition and solidarity*, as well as the *capital and labour*, is considered as complementary. Owing to the idea that class war is over, the different sections of the society assumed to be the “members of the same team” and their interests are presented as the same or complementary. That is to say, while the “conflicting interests” are replaced with complementing interests, the politics becomes an arena of reconciliation. Hence, the Third Way omits the social conflicts from the agenda and assumes that resolutions of the social problems to be achieved through *depoliticised* means such as communities

sharing same values and appreciating certain social conduct. It can also be argued that the Third Way applies this model to the global order, too, which is based on the complementary roles of the nation states, global markets and global civil society. In this respect, in so far as “interests of the developed and the developing countries are often the same”, then the model of *global governance* referring to the dialogue among those actors lacks the notion of conflicting interests, as well as the power relations, too, and becomes a technocratic structure that decides on the “necessary” measures.

Generally speaking, the Third Way presents itself as the necessary respond to those radically new conditions entailing new conceptualisations, or *the new perceptions of the social reality*. In this sense, once the premises on the change are presented as matters of fact, then, the Third Way understanding becomes the only way to manage the new world appropriately. That is to say, the Third Way presents itself as not a political preference proposing an alternative agenda, rather, it can be well argued that it claims to be *beyond the politics* or the ideological preferences given its emphasis over the change that necessitates transcending old political positions and adapting to the new conditions which are possible only through realising the Third Way principles. That is to say, the Third Way seems to claim that “there is no alternative” to embrace the Third Way principles in order for adapting to the change.

Considering those points it can be said that the Third Way pursues a political line composed of *depoliticised* notions. In essence, the arguments the Third Way for legitimising its “new” position, that is to say the claims of having no alternative and embodying the necessary principles that the changed world entails, themselves, undermine the notion of politics which always denotes a struggle among the alternatives.

On the other hand, as it is discussed in the third chapter, the Third Way model maintains that the actors within the state, civil society and market should collaborate in order both to enable market work efficiently and compensate the miseries of market mechanism. In other words, social relations in the Third Way



framework are conceptualised on the base of market mechanism, according to market needs and failures, while the market mechanism is presented both as an inevitable reality and as a field of opportunities. In this sense, the Third Way can be considered as a *way* that inevitably furthers the penetration of market relationship to the “social” in general. Hence, the Third Way contributes to the market hegemony through articulating the social dimensions and generating a more inclusive strategy. In this sense, although the Third Way lacks a genuine originality considering both its articulation of the “old” elements of various theoretical positions and also its parallelism, if not the sameness, with the post-Washington Consensus voiced by the international and transnational actors, the Third Way has still an essential role in the dissemination of the principles upon which a new consensus is built. In this sense, the Third Way, as the political project embracing the proposals of this consensus, occupies a hegemonic position in current political context.

As it is maintained in the fourth chapter, hegemony of the Third Way can be observed in Turkish politics. Considering the 3<sup>rd</sup> November 2002 national elections as a turning point, it can be argued that the Third Way understanding has been consolidated in Turkish context through adoption of its core principles by the chief political parties, the JDP and RPP. In this sense, the JDP as the governing party could have so far achieved to convey the Third Way rhetoric and reflect the Third Way understanding to its reform proposals. The encounter of the JDP with the Third Way should be considered as a part of the aspiration of integration to the global order, both economically and politically, due to the fact that the means and mechanisms of such integration are defined through the features that the Third Way understanding embraces. In this context, the JDP presents the most appropriate base for the consolidation of the Third Way understanding, given its potential role in activating the civil society, local communities as the bases of social solidarity needed for compensating the absence of state’s provision of social services.

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