



Membership in the Australian context

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Background

The importance of a strong and vibrant civil society has been discussed and studied since de Tocqueville wrote his great work *Democracy in America* (de Tocqueville, 1862) in the early nineteenth century. Civil society was seen by de Tocqueville as being essential to the democratic workings of the polity he most admired: the fledgling republic of the United States. In more recent times, participation in civil society, and membership in the many and varied organisations that form it, has been the focus of many forms of study. The primary focus has predominantly been on levels of membership in these organisations, and the effects on what is often referred to as 'social capital'. It has been noted that levels of membership in civil society have dropped over the last generation, and this has been generally true across the board in terms of different clubs, organisations, associations and institutionalised religions.

This paper aims to address the issue of membership in the Australian context. In order to do this, it is necessary to first examine membership in two broad contexts: general international trends, and the economic and social factors behind what many see as an unfortunate and potentially damaging decline in social capital. Thus a systematic approach will be taken which first identifies the key themes and provides definitions for the key terms. Then an overview of trends in membership will be given, followed by an overview of some of the more notable social and economic changes that have taken place over the last two or three decades which have helped to shape these trends in Australian membership. Finally, a vignette of community sector organisations will show the tenuous nature of these groups within the context of declining membership and threats of de-funding from governments.

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Introduction

Terms, Themes and Definitions

Some of the main words and terms often utilised in the context of membership and participation – and civil society in general – while not peculiar to the subject, are nevertheless not in common use and therefore must be defined here.

- One of the most commonly used (at least in this piece) is *membership* itself. For the purposes here, membership will be used in the context of membership of a non-profit organisation or association. While membership normally implies monetary commitment to the member organisation, this is not always the case.
- *Membership organisations* will also be referred to here, and can be taken to denote any community based organisation, club or association that exists to benefit its members, albeit not financially. Some membership organisations also work for the benefit of those outside their membership base.
- Most — but not all — membership organisations referred to will be *non-profit* organisations. In the Australian context, this means that “any profit made by the organisation goes back into the operation of the organisation to carry out its purposes and is not distributed to any of its members” (ATO, 2008).
- ‘*Social capital refers to the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together and without which there can be no economic growth or human wellbeing.*’ (Grootaert, 1998, p. iii) Accepting this definition, social capital is inextricably linked to civil society, and membership thereof.
- *Civil society* is generally agreed to be that which lies outside the remit of both family and the apparatus of state control, and can be considered to be in large part characterised by voluntary association.
- A ‘peak body’ can be described for the purposes of this paper as being a non-government organisation whose members are smaller (mostly non-government) organisations who share similar views and interests (Melville and Perkins, 2003).

Trends in Membership

While there is ample anecdotal and some small-scale quantitative evidence that participation has been in decline, and there is widespread agreement that this trend is harmful to Australian civil society, there have nevertheless been limited attempts to collect quantitative evidence on the macro level. The Australian Bureau of Statistics (ABS) collects data on participation in such particular areas as sport and recreation, volunteering and trade union membership (dealt with below), but this does not ideally suit the specific purposes of this paper. A case study has been included to highlight trends in membership *and* participation in the community, within the Gold Coast City Council jurisdiction, to help to provide a more complete understanding of the issues (Gold Coast City Council, 2005).

Case Study: Membership and Participation in Gold Coast City Council

When the Gold Coast City Council in Queensland published its *Our Living City Report 2004-05*, it had in mind partly to make both a qualitative and quantitative study of participation in community organisations, and the results can be taken to represent trends in other areas within Australia. The study found that the 2,150 community groups in the Gold Coast area were made up of the following:

- Recreation and sporting groups – 56%
- Community groups – 33%
- Cultural groups – 7%
- Arts, hobbies and crafts – 4%

The Report then went on to include two case studies, of the Surf Lifesaving Association and the Lions Clubs in the area. From this, the authors concluded that while overall population levels rose on the Gold Coast, overall membership in the Lions and Surf Lifesaving Clubs taken together declined in real terms and in per capita calculations.

The Case Study above, although relatively limited in scope, is indicative of the overall decline in membership of community organisations in Australia, and this has implications for the formation of social capital in the future. This has further implications in terms of the community services sector.

Economic Context

As is the case with other societal themes, membership cannot be seen as being completely separate from the economic context in which it operates. In the contemporary Australian social and economic landscape, economic liberalism can be seen to have triumphed over the welfare state model, which views the provision of financial and social opportunities by the state as a moral obligation. Somewhat erroneously, economic (or neo-) liberalism can be seen to view social responsibilities as 'in opposition to the market principle' (Dow, 1999, p. 212) and therefore to be avoided.

States that once provided (or at least attempted to provide) for their most vulnerable citizens under the welfare state model have embraced the neo-liberal creed with relish. It certainly seems true that '...nobody loves the welfare state anymore.' (Andrew, 2006, p. 314) Neo-liberalist administrations around the world have been 'strident' in their opposition to the 'post-war welfare state' (Andrew, 2006, p. 316) and few more so than John Howard's Coalition Government. The Australia of the early twenty-first century is one in which citizens are seen as economic commodities who are – or should be – concerned primarily with personal material gain (Moss, 2001). A useful way of contextualising this is to make a simple comparison. It is a sad indictment on Australian social values that while the Australian 'social economy' (the financial world's equivalent of civil society, or the monetary value placed on it) is worth around \$33billion per annum (Morrow, Bartlett and Silaghi, 2007), total credit card debt was \$41billion in September 2007 (RBA, 2007).

Linked to this spread of neo-liberal theory is *globalisation*. Globalisation is problematic in its definition and theoretical basis, but it can be simply taken to refer to the increasing economic, political and social interdependence between previously archly independent states (Midgley, 2007). There are a whole range of globalisation theorists who are '...critical of the underlying idea of the nation...' (Sulkunen, 2007) and thus contribute to theoretical disavowal of state welfare provision, or the idea that states have an obligation to maintain standards of living for their citizens.

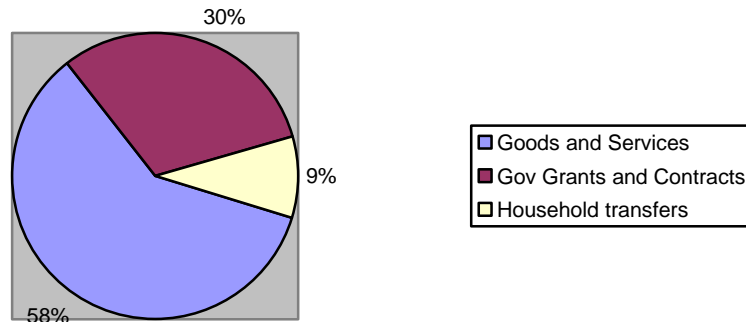
Along with the demise of the welfare state and the rise of neo-liberalism and globalisation has emerged 'Third Way' (Giddens, 1998) thinking. This is based on the idea that there is a 'third sector', one that is separate from the public (government) and the private (business). The community sector, which forms part of the 'third sector', is charged with the provision of many of the services that were formerly provided by the state, and is in large part funded by the state, although there is a shortfall which is made up by members of the community through fundraising activities and volunteerism.

While all this has been going on, government funding for community sector organisations has been decreasing in real terms. This is troubling because of their position in Australian civil society as the providers of many of the services once provided by the state. This dynamic forms a part of the inter-sectoral and society-wide shifts in the community sector identified by Lyons (1994, cited Barraket, 2007):

- Increased competition from for-profit providers in fields where non-profit were traditionally unchallenged;
- Changing patterns of volunteerism, which are draining sustained volunteer resources from the management and governance of small organisations;
- A decline in membership and a shift towards increased professionalism of member serving organisations (e.g. service clubs, unions, churches, some local sports organisations, traditional youth groups and political parties), and;
- Critical erosion of the service infrastructure within the sector and reduced financial capacity to renew this infrastructure for the changing needs of future generations.

In the Australian non-profit sector as a whole (that is, the third sector), there is evidence that membership dues and donations are vital to the future of many organisations. Figure 1 shows the break-up of income sources within the sector in 1999/2000. From this it can be seen that government funding constitutes only around 30% of total income, and that there is heavy reliance on 'household transfers' which refers to membership dues and donations.

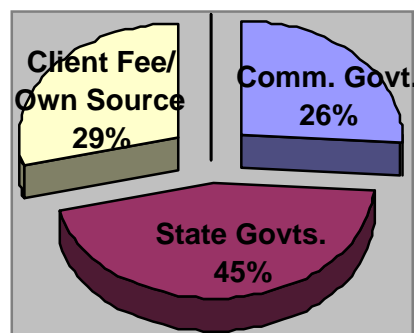
Figure 1: Funding to the Australian Non-Profit Sector in 1999/2000



Source: *The National Roundtable of Non-profit Organisations (2003)*

In the community sector specifically, State and Commonwealth Government funding accounted for 71% of funding for service providing community sector organisations, while only 29% of the total was raised through client fees, donations, the sale of goods and services, and membership dues (Figure 2). This represents an over-reliance on government funding and is combined with increased personnel strain caused by the administrative burden of applying for grants and associated periodic funding arrangements.

Figure 2: Funding to the Australian Community Sector in 2005/2006



Source: *ACOSS 2007 Community Sector Survey*

Social Context

Some note that there are 'Two Establishments' in Australia — the business/corporate establishment and that of the bureaucrat and union official — and that there is a distinct lack of establishment in the middle (Centre for Civil Society, 2008). This perception is not entirely accurate, although it is true that while the 'third establishment' of community sector organisations is large in scale and scope, it lacks the political clout of the other two. However it would not be right to completely exclude union membership from this study, as it is one of the most reliably kept indicators of membership trends in civil society. From the available literature, it can be seen that:

- In Europe, over the 23 EU members, Norway and two candidate countries, union membership as a percentage of the overall workforce fell by 15% between 1993 and 2003 (Carley, 2004).
- In the US in the same period, union membership fell from 15.8% to 12.9%, and continued to drop to 12.0% in 2006 (Hirsch and Macpherson, 2008).
- In Australia, which has traditionally been more unionised than the US, membership of trade unions fell from 37.6% in 1993 to 23% in 2003, and continued to drop to 20.3% in 2006 (ABS, 2007).

While not comparable to community sector membership, these figures give both a specific example of the decline in certain forms of social capital, as well as an overall picture of membership in Australia and around the world in the social aspect.

On the broader level, participation helps to build trust within society, thus building social capital. It is this social capital which Putnam (2000) believes helped to build the socio-economic orders we see today. In this way, it can be seen that the Australian mentality was built on the foundations of the social capital laid during the developmental stages of the state. As commonwealth government funding has declined, neo-liberal arguments have not ignored this view, but have instead argued that government interference in community based approaches to inequality is ultimately self-defeating, that communities know best how to deal with their specific problems (Reddel, 2004). The rise of this ideological position has been widely noted and even supported by many among the 'left' (Latham, 1998). It is in this way that the Howard Government utilised broad political support and used (albeit distorted) social capital terminology and themes to strengthen the neo-liberal argument and to attempt to negate the need for government funding. Thus the issue of membership is an important one that needs addressing in order for the community sector and the third sector in general to remain viable into the future.

Influenced by these neo-liberal government policies, Australian citizens have become less involved in their communities and society in general. Research has identified a number of factors influencing these trends (Leigh, 2003):

- Rising commuting time
- The entry of women into the workforce
- More time spent watching television
- Rising inequality
- Increased ethnic and racial heterogeneity

Added to this list can be the rising costs of living which force people to work more hours (many of which go unpaid (ABS, 2003)) to pay mortgages and credit card debts. Perversely, these debts are predominantly caused by rampant consumerism fuelled in part by government policy. These trends have led to a decline in membership of the voluntary organisations and associations that make up civil society, just at the time many of these organisations have been entrusted with the provision of services once provided by the state.

Compounding the problem of membership in the community sector is the fact that many organisations are operating on membership models that date from the 1970s, when many of them were formed. This is particularly true of peak bodies, of which 50 were formed prior to 1975, whereas 132 were formed between 1975 and 1994. There is however wide disparity within the range of peak bodies, with some having fewer than 120 organisational members and only two more than 500. This is reflected in the income figures for the peak bodies studied in 2000-2002 (Melville and Perkins, 2003).

As government funding has been cut, extra administrative and activity burdens have been placed on community organisations that both add to their workload and detract from their advocacy positions. While this is not directly linked to membership, there are knock on effects. Peak organisations, on which much of the available literature is based, rely on the membership of (generally) smaller member organisations for their legitimacy in advocacy work. As mentioned above, peak bodies in Australia are unsustainably reliant on government funding. In Melville and Perkin's study, it was found that of the 142 peak bodies studied, more than half had been threatened with de-funding, and 10 actually were de-funded. Most disturbing is the link between the threat of de-funding and political activity on the part of the threatened (Melville and Perkins, 2003). This serves to underline the fact that membership organisations in the community sector and especially their peak bodies cannot be complacent when it comes to their membership, or regarding diversification of income streams.

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