



## **Neoliberalism, the Third Way and Social Work: the UK Experience.**

*Iain Ferguson, University of Stirling*

### **Summary**

*For most of the past two decades, the notion that there is no alternative to the market as a basis for organising society has constituted a kind of global ‘common sense’, accepted not only by the neo-liberal Right but also by social democratic thinkers and politicians, in the form of ‘the Third Way’. This paper will critically assess the central claims of neoliberalism in the light of experience in the UK and internationally, evaluate the ways in which Third Way policies are shaping social work in the UK, and in the final section, begin to explore some of the ways in which the anti-capitalist movement which has emerged in recent years might contribute to the development of a new, engaged social work, based on social justice.*

### **Keywords**

*neoliberalism, market, Third Way, anti-capitalism, social justice.*

### **Introduction**

The Italian Marxist Antonio Gramsci once defined ‘common sense’ as ‘the day to day ideology of the bourgeoisie’ (cited in Forgas 1990). By this Gramsci was referring to the process by which the ideas and assumptions of the dominant groups within society become part of the everyday, taken-for-granted consciousness of millions of people. For much of the 1990s, neo-liberal ideas, and in particular the assumption that there is ‘no alternative to the market’, have formed a core element of the common sense of many people throughout the world, including many of those who involved in social work and social care.

In Britain, the implications of this unquestioning acceptance of capitalist rationality for social work have been profound. It has led to the growth of what John Harris has described as ‘the social work business’ (Harris 2003) which is dominated not by notions of social justice and equality but rather of ‘value for money’, led by managers whose primary remit is often to manage budgets rather than to meet the needs of clients, and too often staffed by demoralised practitioners who feel increasingly alienated from their organisations and from what now passes as social work (Jones 2000).

In this paper, I want to do three things. First, I want to look at what the effects of neo-liberal policies have been, both internationally and in Britain. Second, I want to critically explore the idea of the Third Way and look at what Third Way approaches have meant for social work in Britain. Finally, I want to look at the growing resistance to neoliberalism, which began with the massive anti-capitalist demonstration against the World Trade Organisation in Seattle and which has continued to grow ever since, as the anti-capitalist movement has increasingly translated itself into an anti-war

movement (Bircham and Charlton 2001; Reza 2003)). Radical movements within social work in the past have often developed in response to radical movements in the wider society (Thompson 2002). How, if at all, can social work begin to connect with this worldwide movement against neoliberalism and war?

### **Neoliberalism – the balance sheet.**

The writer and activist Susan George suggests that neoliberalism, the economic ideology which has been promoted over the past two decades by the World Bank, the International Monetary Fund and the World Trade Organisation is based on a set of three fundamental freedoms: freedom of investment; freedom of capital flows; and freedom of trade in all goods and all services including living organisms and intellectual property (and we might add, under the new GATS arrangements, social care and social work services) (George 2001). It is worth noting in passing that one commodity that is not permitted such freedom of movement is human labour, as increasingly draconian asylum legislation testifies.

More pithily, the British writer and activist George Monbiot has suggested that neoliberals have only one idea – that society should subordinate all other concerns to the interests of big business (Monbiot 2001).

Two main arguments have been put forward in defence of this ideology. The first is simply that there is no alternative to capitalism, that capitalism ‘is the only game in town’. That is an argument that is increasingly rejected by millions of people throughout the world and one to which I will return in the final section.

The other main justification is that everyone will benefit from the neoliberal policies pursued by the IMF, the WTO and the World Bank, that in a rising tide, small boats rise as well as big tankers. Wealth will ‘trickle down’ from the wealthiest nations to the poorest. This argument too is increasingly rejected not only by anticapitalist protestors but also by leading establishment figures. In a biting critique of the effects of globalisation, for example, Joseph Stiglitz, chief economist at the World Bank from 1997 200 and Nobel prize-winner for economics in 2001 has argued that

Liberalization has thus too often, not been followed by the promised growth but by increased misery. And even those who have not lost their jobs have been hit by a heightened sense of insecurity (Stiglitz 2002, 17).

The extent of that increased misery is vividly reflected in the Human Development Reports, produced each year by the United Nations. This year’s report, published in July, showed the following: that in 54 countries average income actually declined in the 1990s and that in 21 countries, mainly in Africa, society went backwards on measures such as income and life expectancy. It is not only in Africa, however, that living standards have fallen. In Latin America, countries such as Ecuador, Venezuela and Paraguay have seen living standards fall over the last ten years, while Argentina, once the IMF’s ‘star student’ now lurches from crisis to crisis. Similar falls in living standards have also taken place in the Ukraine, Kazakhstan, Tajikistan and Russia itself. In addition, the global gulf between rich and poor has also grown over the past decade, with the richest 1% now having as much income as the poorest 57%.

In human terms, this means that every day throughout the world, 30, 000 children die of preventable diseases (UN 2003).

Given, however, that in Britain , since 1997 we have had a New Labour government which claims to have broken with the Thatcherite policies of the previous 18 years., one might assume that things should have got better both for the social work profession and, more importantly, for the many people who rely on social work services. To what extent has this happened? Have the Third Way policies pursued by New Labour from 1997 till the present enabled actual or potential users of social work services to receive the kind of support they need? What has the Third Way meant for social work?

### **The Third Way**

The notion of the Third Way was developed during the 1990s by social democratic or left of centre thinkers and politicians. Conceived initially in the USA during the Clinton presidency (Callinicos 2001), the idea has since been espoused by many other left-leaning regimes throughout the world. A conference held in July of this year, for example, to explore (once again!) what the Third Way actually means was attended not only by such predictable Third Wayers as Gerhard Schroeder and Bill Clinton but also by Thabo Mbeki from South Africa, Meles Zenawi of Ethiopia and Lula, the new Workers' Party president of Brazil.

It is, however, in Britain since 1997 under Tony Blair and New Labour that Third Way ideas have been most explicitly developed and applied (not least by the leading British sociologist Anthony Giddens – see especially Giddens 2000) and it is the UK experience I want to focus on today.

From its beginnings, the Third Way has been presented as a *new* approach to politics and policies which transcends the old categories of Left and Right. To employ Blair's favourite adjective, it is presented as a *modern* approach which seeks to define itself in terms of the roads *not* taken: 'old-fashioned' statist social democracy on the one hand, unbridled free-market capitalism on the other. Rather, it is avowedly non-ideological and claims instead to espouse a pragmatic approach, taking the best from both Left and Right traditions and concerned with only 'what works', a notion to which I shall return later. In this view the Left defines itself by its values, its socialist values, which remain unaltered, but seeks to apply them to a changed world. In the words of a key policy statement issued by Tony Blair and Gerhard Schroeder:

Fairness and social justice, liberty and equality of opportunity, solidarity and responsibility to others – these values are timeless. Social democracy will never sacrifice them. To make these values relevant to today's world requires realistic and forward-looking policies capable of meeting the challenges of the 21<sup>st</sup> century. Modernization is about adapting to conditions that have objectively changed, and not reacting to polls (cited in Callinicos 2001, 9).

The limits both of bureaucratic state capitalism and of rampant free-market capitalism are only too obvious and I do not intend to spend any time on them. What I do want to examine, however, is the claim of its adherents, notably Anthony Giddens, that the Third Way represents a non-ideological approach. Is this really the case, or as Perry Anderson has argued, is it simply 'an ideological shell for neo-liberalism' (Anderson 2000,11)?

I want to argue that this claim is a disingenuous one, since two very powerful ideological themes underpin the Third Way.

i) *Acceptance of neoliberalism.*

Like their New Right counterparts, adherents of the Third Way espouse the view that 'there is no alternative to the market'. Globalisation is seen as having made anything other than total submission to the world market both utopian and foolish. So for example, in a speech to the TUC in 1997, Tony Blair identified the first task of a modernising government as being

To create an economy fully attuned to a new global market; one that combines enterprise and flexibility with harnessing the creative potential of all our people (Blair 1997)

In fact, New Labour has embraced the market with a passion and enthusiasm which often leaves the Conservatives standing. Britain, for example, now boasts the lowest corporation tax rates in British history, lower than any other country in Europe and lower than the USA and Japan; of having less labour market regulation than the US; while the privatisation of public services has continued apace, albeit under the new designation of Public Private Partnerships (Monbiot 2000). As one indication of New Labour's embrace of the market, the London Third Way Conference in July was funded by, among others, British Airways, Citigroup and that well-known moderniser, the Sultan of Brunei. No wonder one leading economic commentator in Britain referred to the Third Wayers as 'free marketers who have learned to play the chords of Stairway to Heaven' (Elliot 2003).

In term of poverty, recent research by the Joseph Rowntree Foundation shows that while there has been a small fall in poverty since 1997, the falls thus far have only been sufficient to bring the levels back to the 1995/96 levels and the number of people living below the low income threshold is still almost double that of 20 years ago (JRF 2002a). In Scotland, the numbers living in low-income households has actually increased while latest figures show there has been no change in the numbers of children living in poverty (JRF 2002b).

ii) *Social authoritarianism.* Alongside this embrace of the market is recognition that capitalism also creates profound social divisions which, unless addressed, will undermine communities and create social unrest. From its inception therefore, New Labour policies have emphasised social cohesion, using the language of social inclusion. The 'soft' side of this approach, more prominent in the early days of the first Blair administration, was a focus on social inclusion, primarily through work, the great equaliser. That focus on social inclusion continues to be reflected in policies such as Sure Start, aimed at addressing the inequalities experienced by children and parents in poorer areas as well as an emphasis on user involvement in areas such as mental health. A much more dominant theme, however, particularly in New Labour's second term, has been a profound social authoritarianism, drawing on a mixture of communitarianism, Christian socialism and crass electoralism and most evident in the areas of asylum policy, youth justice and some areas of mental health. In several of these areas, New Labour has gone much further than the Conservatives would have dared. In relation to asylum seeker policy, for example, New Labour policies have included the use of a degrading voucher system, detention centres in which children

are held for up to a year and a dispersal policy which one recent research study has condemned as based on pandering to the Far Right (Robinson et al 2003). In relation to youth justice, the New Labour administration in Scotland is currently introducing legislation which will allow parents – most likely poor single mothers to be jailed for failing to adequately control their children (Scottish Executive 2003) ; while new mental health legislation both north and south of the border will introduce compulsory detention in the community for people with mental health problems, a measure opposed by the majority of mental health organisations and one which the Conservatives were unable to push through.

What has this Third Way approach mean for social work in Britain today?

In a recent paper the former Director of the National Institute for Social Work has pointed to what she sees as positive features of social work in Britain today: programmes such as Sure Start, the greater involvement of users and carers within policy-making, the introduction of a new social work degree framework, the creation of Institutes of Excellence in both Scotland and England, and the setting up of Social Care Councils in the different parts of Britain are cited as evidence of the current healthy state of social work (Statham 2003).

In addition, it can be argued that New Labour's approach to social work does seem to differ from that of Conservative governments in being more pragmatic, less ideological, and in that sense reflecting a Third Way approach. Thus, for example, the Best Value Framework in principle allows local authorities to maintain control over services if they can prove they are more efficient than the private sector; the 'What Works' agenda explicitly rejects an ideological starting point and claims to base social work responses on objective evidence; while New Labour's mental health agenda claims to seek a middle way between the views of service users and the need for public safety on the other.

Such positive assessments of New Labour's achievements, however, suffer from two main flaws. First, they present a very one-sided view of policy developments. In respect of user involvement, for example, while users have been more involved in the process of policy making, there is much less evidence of the impact of this involvement on service outcomes. Compulsory treatment in the community for example, was vociferously opposed by every mental health service user organisation but is still likely to become law in the next year, in Scotland at least.

Second, and more important, they neglect the context in which such developments are occurring. As Harris has argued, that context continues to be shaped by the priorities of marketisation and managerialism, by the demands of what he calls 'the social work business' (Harris 2003).

In terms of marketisation, social work has not escaped the drive to extend market forces that New Labour has shown in every other area of policy (Monbiot 2000). That does not mean that every branch of social work is about to be privatised but it means the imposition of market disciplines and priorities within social work, precisely through Frameworks such as Best Value, which is based on competition. The outcomes of that competition are twofold. First, in practice it does often lead to services being transferred to private or voluntary organisations which are cheaper because they are able to offer lower rates of pay and poorer conditions to staff. Second, it has led to the

creation of a quasi-business culture within local authority social work departments where budgets dominate and the overriding priority is keeping costs down, with profound effects on the morale of social workers.

Enforcing a regime whose overriding commitment is to keeping budgets down requires a managerialist approach which involves more and more surveillance and control of the activities social workers. Again, New Labour did not invent managerialism but they have continued and developed the Conservatives' managerialist strategies in new ways – above all, through a greater emphasis on regulation.

Underpinning this emphasis on regulation is a mistrust of social work and of social workers. In part this is the same mistrust of professionals in general which underpinned much of the consumerist rhetoric of Conservative administrations; in part it reflects the view, also shared by the Conservatives, that 'social work has failed' and needs to be reformed or (in Third Way language) 'modernised'. Perhaps most importantly, however, it reflects the view that social workers are not really 'on line' with New Labour's message and that their professional values do not sit comfortably with the social authoritarianism underpinning many of New Labour's policies.

That mistrust is reflected in various ways.

First of all, it has meant the non-involvement of social workers in the major social programmes that New Labour have introduced – Sure Start, the New Deal, Supporting People (Jordan and Jordan 2000)

Second, it has led to the creation of new regulatory bodies. While the Social Care Councils and the Institutes for Social Work Excellence can be seen as strengthening the profession in the way that Daphne Statham suggests, they can also be seen as convenient means by which government can bring social work more closely into line with its objectives, not least since these bodies are dependent on government for funding.

Third, it has led to the attempt to reshape the knowledge base of social work on the basis of the 'What Works' agenda. At the most banal level, no one could reasonably object to methods and approaches which work as opposed to those which are ineffective. However, the ideological import of What Works goes much deeper than this. First, it implies, often on the basis of very little evidence, that traditional social work approaches such as casework or community development have not worked. Second, the evidence-based approach depends on measuring these variables which are capable of measurement. Not surprisingly therefore, it lends itself to behaviourist approaches which measure behavioural change and which usually have a strongly individualistic focus, with little concern for wider social factors. Third and most importantly, it presents social and personal change as essentially a technical matter – issues of values or ideology are excised. We are concerned with what works in achieving a specific end – such as reducing crime – rather than looking at the wider causes of that behaviour. The role of the various new bodies referred to above will be crucial in this process. One aim of the new General Social Care Council, for example, according to the Green Paper *Modernising Social Services* will be to

Offer practical help, based on research and other evidence of what works, and free of unnecessary ideological influences (cited in Harris 2003, 90).

If the social work profession is to play the role which New Labour would ideally wish it to play, then reshaping social work values, as well as silencing or marginalising critical perspectives or theories which might lead social workers to question the treatment of asylum seekers or the demonisation of young people, will clearly be crucial.

### **Resisting neoliberalism: the social work response**

It is now a commonplace to say that social work in Britain is currently in a state of crisis. The numbers applying for courses continues to fall; there is a desperate shortage of practice placements for those who do make it on to courses; there are acute shortages of social workers particularly childcare social workers throughout the UK; and evidence, both research-based and anecdotal, suggests that morale amongst workers is at an all-time low (Jones 2000).

Yet in many respects the need for a radical, empowering social work is greater than ever. As I have argued above, there is little to suggest that life has improved substantially under New Labour for those who use social work services and who live on or below the poverty line. In terms of anti-oppressive practice, in recent years groups such as asylum seekers have experienced horrific levels of harassment and racism, fuelled both by government dispersal policies and media-led moral panics (Bowes et al 2003; Robinson 2003), with implications for both physical and mental health (Ferguson and Barclay 2002).

To date, however, the leadership of the social work profession has often shown itself to be singularly incapable of resisting the attacks on the profession, often preferring to adapt to whatever changes are imposed and stressing the opportunities, real or imaginary, that they present. Yet as Butler and Drakeford have argued, there is 'a very real cost in the flexible exploitation of ambiguity which has allowed social work to retain the semblance of loyalty to its own values while carrying out the bidding of political masters with very different ideas and purposes' (Butler and Drakeford 2001, 8).

At the moment it is not clear how a new radical social work will emerge. As Thompson has noted, however, the impetus for a radical practice in the 1970s came not from within social work but rather from the impact of the social movements – the women's' movement, the black movement, the gay movement and the trade union movement – which came to the fore during that period and shook society to its foundations (Thomson 2002). After many years in which neoliberalism appeared to have seen off its ideological rivals, the past few years have once again seen the emergence of mass social movements which transcend the identity politics of the 1990s in identifying capitalism or at least aspects of capitalism as being too blame for poverty, environmental destruction and most recently war (Ferguson, Lavalette and Mooney 2002: see also Ferguson, Lavalette and Whitmore 2004 forthcoming). It may be too early at this stage to see how a new, radical social work practice can connect with the experience of these movements. However, it is possible to identify areas of convergence between some of the themes running through this very disparate movement and at least some social work approaches and values, particularly empowerment, advocacy and development approaches, more commonly espoused by

social workers in the Third World than by social workers in Britain and the US. It may be that out of these green shoots of resistance to neoliberalism and social authoritarianism a genuinely emancipatory social work practice for the twenty first century can begin to emerge.

## References

- Anderson, P.** 2000: 'Renewals', in: *New Left Review* II (1), p. 11.
- Bircham, E.** and Charlton, J. (eds.) 2001: *Anti-Capitalism: a guide to the movement*, London: Bookmarks.
- Blair, T.** 1997: 'The Modernisation of Britain'. *Speech to the 1997 Trade Union Congress*.
- Barclay, A., Bowes., I., Ferguson., D., Sim and M. Valenti** 2003: *Asylum Seekers in Scotland*, Edinburgh: Scottish Executive.
- Butler, I.** and **Drakeford, M.** 2001: 'Which Blair Project? Communitarianism, Social Authoritarianism and Social Work', in: *Journal of Social Work*, I (1), pp. 7-20.
- Callinicos, A.** 2001: *Against the Third Way*, Cambridge: Polity
- Elliot, L.** 2003: '[Third-way addicts need a fix](#)', in: *Guardian*, July 14, 2003
- Ferguson, I.** and **Barclay, A.** 2002: *Seeking Peace of Mind: the mental health needs of asylum seekers in Glasgow*, Stirling: Stirling University.
- Ferguson, I., Lavalette, M.** and **Mooney, G.** 2000: *Rethinking Welfare: a Critical Perspective*, London: Sage.
- Ferguson, I., Lavalette, M.** and **Whitmore, E.** 2004, forthcoming: *Globalisation, Global Justice and Social Work*, London: Taylor and Francis
- George, S.**: 'Neoliberalism', in: Bircham, E. 2000: *Anti-Capitalism: a Guide to the Movement*, London: Bookmarks.
- Giddens, A.** 2000: *The Third Way and its Critics*, Cambridge.
- Forgacs, D.** 1990 (ed.): *The Antonio Gramsci Reader: Selected Writings 1916-1935*, New York University Press.
- Harris, J.** 2003: *The Social Work Business*, London: Routledge.
- Jones, C.** 2000: 'Voices from the Front-Line: State Social Workers and New Labour', in: *British Journal of Social Work*, 31 (4)
- Jordan, B.** and **Jordan, C.** 2000: *Social Work and the Third Way: Tough Love as Social Policy*, London: Sage.
- Joseph Rowntree Foundation 2002a: *Poverty and social exclusion in Britain*, York: JRF.
- Joseph Rowntree Foundation** 2002b: *Monitoring poverty and social exclusion in Scotland (2002)*, York: JRF
- Lavalette, M.** and **Mooney, G.** (1999): 'New Labour, new moralism: the welfare politics and ideology of New Labour under Blair' *International Socialism*, **85**, pp. 27-47.
- Monbiot, G.** 2000: *Captive State*, London: Macmillan.
- Reza, F.** (ed.) 2003: *Anti-Imperialism: a guide for the movement*, London: Bookmarks.
- Social Work & Society, Volume 2, Issue 1, 2004  
ISSN 1613-8953 ••• <http://www.socwork.de/Ferguson2004.pdf>

**Robinson, V., Andersson, R. and Musterd, S.** 2003: *Spreading the 'Burden'?* Bristol: The Policy Press.

**Scottish Executive** 2003: *Putting our communities first: A Strategy for tackling Anti-social Behaviour*, Edinburgh: Scottish Executive.

**Statham, D.** 2003: 'Changing Social Work', in: V. E. Cree (ed.) *Becoming a Social Worker*, London: Routledge.

**Stiglitz, J.** 2002: *Globalisation and its discontents*, London: Penguin

**Thompson, N.** 2002: 'Social Movements, Social Justice and Social Work', *British Journal of Social Work* 32, pp. 711-722.

**United Nations** 2003: *Human Development Report 2003*, New York: UN.

Author's address:

Dr Iain Ferguson

Dept of Applied Social Science

University of Stirling

Stirling

Scotland FK9 4LA

E-mail@ [iain.ferguson@stir.ac.uk](mailto:iain.ferguson@stir.ac.uk)

Phone: +44 (0)1786 467710

**Social Work  
& Society**