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Policy Contexts of Social Work in Britain: the wider implications of 'New' Labour policy and the 'New Legal Regime'

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Several commentators have expressed disappointment with 'New' Labour's apparent adherence to the policy frameworks of the previous Conservative administrations. The employment orientation of its welfare programmes, the contradictory nature of the social exclusion initiatives, and the continuing obsession with public sector marketisation, inspections, audits, standards, and so on, have all come under critical scrutiny (c.f., Blyth 2001; Jordan 2001; Orme 2001). This paper suggests that in order to understand the socio-economic and political contexts affecting social work we need to examine the relationship between New Labour's modernisation project and its insertion within an architecture of global governance. In particular, membership of the European Union (EU), International Monetary Fund (IMF), and World Trade Organisation (WTO), set the parameters for domestic policy in important ways. Whilst much has been written about the economic dimensions of 'globalisation' in relation to social work, rather less has been noted about the ways in which domestic policy agenda are driven by multilateral governance objectives.

This policy dimension is important in trying to respond to various changes affecting social work as a professional activity. What is possible, what is encouraged, how things might be done, is tightly bounded by the policy frameworks governing practice and affected by those governing the lives of service users. It is unhelpful to see policy formulation in purely national terms as the UK is inserted into a network governance structure, a regulatory framework where decisions are made by many countries and organisations and agencies. Together, they are producing a 'new legal regime', characterised by a marked neo-liberal policy agenda.

This paper aims to demonstrate the relationship of New Labour's

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modernisation programme to these new forms of legality by examining two main policy areas and the welfare implications they are enmeshed in. The first is privatisation, and the second is social policy in the European Union. Examining these areas allows a demonstration of how much of the New Labour programme can be understood as a local implementation of a transnational strategy, how parts of that strategy produce much of the social exclusion it purports to address, and how social welfare, and particularly social work, are noticeable by their absence within policy discourses of the strategy. The paper details how the privatisation programme is considered to be a crucial vehicle for the further development of a transnational political-economy, where capital accumulation has been redefined as 'welfare'. In this development, frameworks, codes and standards are central, and the final section of the paper examines how the modernisation strategy of the European Union depends upon social policy marked by an employment orientation and risk rationality, aimed at reconfiguring citizen identities. The strategy is governed through an 'open mode of coordination', in which codes, standards, benchmarks and so on play an important role. The paper considers the modernisation strategy and new legality within which it is embedded as dependent upon social policy as a technology of liberal governance, one demonstrating a new rationality in comparison to that governing post-Second World War welfare, and which aims to reconfigure institutional infrastructure and citizen identity.

Despite a general European and North American enthusiasm at the political level for a 'third way' policy approach (Penna et al. 1999), several commentators in Britain are now expressing disappointment with 'New' Labour's apparent adherence to the neo-liberal policy frameworks of the previous Conservative administrations. The employment orientation of its welfare programmes, the contradictory nature of the social exclusion initiatives, and the continuing obsession with public sector marketisation, inspections, audits, standards and so on, have all come under critical scrutiny (c.f., Blyth 2001; Jordan 2001; Orme 2001). In this paper I want to suggest that in order to understand the socio-economic and political contexts affecting social work in Britain we need to examine the relationship between New Labour's modernisation project and its insertion within an architecture of global governance. In particular, membership of the European Union (EU), International Monetary Fund (IMF) and World Trade Organisation (WTO) set the parameters for domestic policy in important ways. Whilst much has been written about the economic dimensions of 'globalisation' in relation to social work (c.f., Dominelli and Hoogvelt 1996; Penna et al. 2000), rather less has been noted about the ways in which domestic policy agenda are driven by

multilateral governance objectives.

This policy dimension is important in trying to respond to various changes affecting social work as a professional activity. Whilst much social work literature focuses, as indeed it should, on understanding the dynamics of practice interventions, the conditions under which such interventions take place are shifting continuously (Lorenz 2001), both for workers and for many service users. What is possible, what is encouraged, how things might be done, is tightly bounded by the policy frameworks governing practice and affected by those governing the lives of service users. These policy frameworks set important parameters for the practice of social work. It is unhelpful now, in my view, to see policy formulation in purely national terms. Much policy is structured by the network governance structure (Castells 1998) that Britain and the other fourteen member states of the European Union are inserted in, a regulatory framework where decisions are made by many countries and organisations and agencies. Together, they are producing a 'new legal regime', characterised by a marked neo-liberal policy agenda.

This paper aims to demonstrate the relationship of New Labour's modernisation programme to these new forms of legality by examining two main policy areas and the welfare implications in which they are enmeshed. The first is privatisation, and the second is social policy in the European Union. Examining these areas allows a demonstration of how much of the New Labour programme can be understood as a local implementation of a transnational strategy; how parts of that strategy produce much of the social exclusion it purports to address; and how social welfare, and particularly social work, are noticeable by their marginalisation within policy discourses of the strategy. I consider the modernisation strategy and new legality within which it is embedded as dependent upon social policy as a technology of liberal governance, one demonstrating a new rationality in comparison to that governing post-Second World War welfare, and which aims to reconfigure institutional infrastructure and citizen identity.

I start by explaining what Sassen (1998, 2000) calls the new legal regime (NLR). I hope the reader will bear with me through this explanation, for a summary of Sassen's work is inevitably somewhat dense. The NLR is important because it has been concerned with the governance of economic life, prompting new forms of legality that contribute to the production of a new, transnational, geography of centrality and marginality. This new geography has been produced by a combination of nation states' involvement in the production of the new legal regime, together with that of corporate actors. Neo-liberalism underpins the policy framework of the NLR, a framework based upon policies of liberalization of cross-border transactions,

deregulation of market dynamics and privatisation of both asset ownership and the provision of public services (Scholte 2000, 34 -5). I then go on to discuss how the privatisation programme is considered to be a crucial vehicle for the further development of a transnational political-economy, where capital accumulation has been redefined as 'welfare'. This development plays an important part in the modernisation project, and the final section of the paper examines how the modernisation strategy of the European Union depends upon social policy marked by an employment orientation and risk rationality, aimed at reconfiguring citizen identities. The strategy is central to governance through an 'open mode of co-ordination', in which codes, standards, and benchmarks have a significant role.

Whilst I detail the overall framework of policy here, I do not mean to imply that the framework will result in a homogeneously applied set of policies at national level: rather, as Lorenz (2001) points out, local variation is as much a feature of the present as it has been of the past. Nevertheless, the policy shifts described here will result in an institutional framework that governs and mediates the parameters of social work and welfare in EU member states (and beyond, see Kapstein and Milanovik 2001, for example), much as the Keynesian framework governed the post-war years. The emerging policy framework is marked by a significant shift from public to private power.

The New Legal Regime: Privatisation and Social Exclusion

Privatisation has received a lot of publicity in the British press recently. Since the re-election of the Labour government in 2001, much public disquiet has been expressed about Labour's adherence to Private-Public Partnerships (PPP) and Private Finance Initiatives (PFI), particularly in relation to the London underground system and hospitals. Labour's enthusiasm for part-and full-privatisation is evident from the huge range of initiatives that stretch across government departments: there is no area of public services that has not been subjected to some sort of private sector involvement in the financing and/or delivery of services. The Office for Government Commerce (OGC) (2001, para 1.1) estimates that by December 1999 agreements for over 250 PFI projects had been signed by central and local government, involving roads, railways, hospitals, prisons, office accommodation and IT systems. Since then there have been literally hundreds more initiatives. The rationale contained in the OGC's executive report lists a number of benefits that such initiatives are said to yield from a 'public sector perspective' (ibid, para 2.1): risk transfer, the long term nature of contracts, the use of output-based specification, competition, performance measurement and incentives, and private sector management skills.

However, from a private sector perspective, the benefits are calculated in terms of the not inconsiderable profits to be made from the privatisation of public services, profits notably accruing, notwithstanding the rhetoric of competition, to a limited number of transnational corporations (TNCs) who are rapidly monopolising certain sectors of activity, most notably water and prisons. TNCs and other corporate business organisations have placed privatisation as a key mechanism in the implementation of a transnational policy regime currently focused on further liberalisation of trade and markets. This transnational regime is termed a 'new legal regime' (NLR) by Sassen (1998). Labour's adherence to privatisation initiatives is not simply a domestic matter, a continuation of previous Conservative policies, but rather a reflection of its participation in transnational institutions of governance, institutions concerned with the creation of transnational economic and political zones through the implementation of a neo-liberal policy regime. These zones arguably comprise what is generally understood as 'globalisation': they comprise spaces detached from solely national rules, spaces that are 'deterritorialised' in the sense that they become subject to (transnational) private economic interests and international rules. Transnational zones have to be actively produced through the establishment and institutionalisation of new rules and regulations - a new legality.

The prefix 'new' refers to the way in which the past three decades have seen the emergence of an international economic order which differs significantly from its predecessor (Sassen 1998, 2000). The key factors in its emergence have been, in particular, the rise of financial and advanced corporate services as leading industries. This new economic order is dominated by financial centres, global markets and transnational firms (TNCs). The decline of manufacturing and raw materials extraction industries, alongside the liberalisation of finance and rise of corporate services, has not been conducive to maintaining the interstate post-war political management of economic processes, the form of economic internationalisation prevailing in the three decades after the second World War.

At the same time, Sassen points to the 'governance void' left by the breakdown of the Bretton Woods system. The Bretton Woods system, as Fitzpatrick (2001, 168) notes, was 'the backbone of the post-war welfare state'. Established immediately after the Second World War, the Bretton Woods Conference led to the emergence of the Bank for Reconstruction and Development (commonly called the World Bank) and the International Monetary Fund (IMF). Also established in the 1940s were the United Nations, and the General Agreement on Trading and Tariffs (GATT). In the wake of the devastation of the war and the depression of the 1920s and 1930s, these were (American-led) global actors in development and reconstruction. Of

further importance to note at this point is that during the second world war a huge expansion of state direction of both economy and society took place in those countries mobilising for war, and as this expansion was translated into nationalisation programmes after the war, the shift in power to the public sphere was not insignificant.

Since then a 'new' international economic order has been configured and Sassen's concern in analysing this order is to point to the ways in which economic globalisation is constituted. Although various forms of economic transnationalism and processes of deregulation have reduced the role of the nation state in the governance of economic processes, nation states can and do act, in a variety of ways, to contribute to the development of the new economic order and their positions in it.

Sassen's examination (c.f., 1998, 2000) of the relationship between national and global political-economies leads her to an examination of cities as sites where processes of economic globalisation are seen as 'concrete economic processes situated in specific places'. In particular, her focus on cities identifies a 'geography of strategic places' on a global scale, with particular places linked to each other by the dynamics of economic globalisation.

This latter point flags up what Sassen (1998, pxxv, et passim) characterises as a new geography of centrality. The global economy is linked in what she describes as 'a worldwide grid of strategic places, from export-processing zones to major international business and financial centres' (ibid). This global grid constitutes a new economic geography of centrality that cuts across national boundaries and across the North-South divide. The central nodes in this grid are global cities such as New York, London, Tokyo, Paris. These cities have become places where economic power is concentrated. They are also 'command centres' in a global economy, from where decisions are made, strategy directed, and action initiated. Various places are linked to each other through the activities that take place in these cities. At the same time, traditional manufacturing centres and once-important port cities have experienced significant decline, often becoming 'disconnected from region and perhaps nation'. The geography of centrality refers to the way in which 'alongside new global and regional hierarchies of cities and high-tech industrial districts lies a vast territory that has become increasingly peripheral, increasingly excluded from the major economic processes that fuel economic growth in the new global economy...'. (Sassen 1998, xxvi). Thus centrality and marginality between regions and different geographical areas of economic activity is a significant characteristic of the contemporary political-economy. A similar process operates within global cities, where there is increased differentiation between high and low income and resources areas. It

is the operation of the new economic order that produces central and marginal spaces, politically and economically powerful and powerless places. In short, it produces much of what is considered as 'social exclusion'. Thus, whilst overcoming exclusion is a priority objective for the European Union, exclusion, particularly those dimensions resulting from an income polarisation noted by Jordan (2001), is constantly being produced by the operations of the contemporary political-economy.

The grid of strategic places connects different flows moving between them, flows of capital, products, services, labour, people and so on. These flows move across and within transnational zone, zones that accommodate movement of products, capital, services and so on. The production of transnational zones is not merely concerned with economic activities however. The production of such zones depends itself upon the production of transnational political zones, and therefore of a reconfigured 'political geography of power'.

The new geography of centrality sees the emergence of a parallel political geography of power. The transnational zones through which global markets in finance and advanced services move are governed by the NLR. It operates through a 'regulatory umbrella' that is comprised of nation-states and corporate businesses, with the latter providing the dominant influence, so that it is 'market rather than state-led', unlike the post-war Bretton Woods arrangement, which was led by nation-states. The NLR, in the wake of the breakdown of the Bretton Woods system, is producing new forms of legality, which contribute to the production of a new, transnational, geography of centrality as well as to a shift in power away from public to private spheres of activity. Neo-liberalism prevails as the reigning policy framework of the NLR, a framework based upon three general policies: liberalization of cross-border transactions; deregulation of markets; and privatisation of both asset ownership and the provision of social services (Scholte 2000, 34 -5). These three policies are interlinked in the sense that all three are considered necessary to the constitution of new transnational zones of both economic activity and political governance, and together they make up the policy framework of the NLR. As these policies derive from neo-liberal prescriptions for socio-economic development, they are, in turn, inextricably linked to a particular social policy model (O'Brien and Penna 1998).

The role of states in cooperating with corporate actors to produce the neo-liberal legal regime is significant. In the production of new forms of legality and of a new transnational legal regime, capital is privileged as a global actor (Sassen 1998, xxx), and has required the cooperation of nation-states in establishing new sets of rights:

A key component in the transformation of the last fifteen years is the formation of new claims on national states to guarantee the domestic and global rights of capital. What matters ...here is that global capital made these claims and that national states responded by producing new forms of legality. The new geography of centrality had to be produced, both in terms of the practices of corporate actors and in terms of the work of the state in producing new legal regimes. Representations that characterise the national state as simply losing significance fail to capture this very important dimension... (Sassen 1998, xxvii).

Whilst guaranteeing the rights of capital has a history at least as long as industrial capitalism, what is significant and 'new' here is the creation, by international legal institutions, of a new international jurisdiction where corporations are overcoming the problem identified in 1969 by a corporate executive from IBM as 'the critical issue of our time', that of the disjuncture between global economic opportunities and the intractable 'independence of nation-states', focused upon defending local, national territorial interests (Starr 2000, 18). This issue continues to present problems of a 'mismatch between the global operations of transnational corporations and national policy' (WTO 1998). The solution is to create 'extraterritoriality' (WTO 1999, para 12), which means the de-nationalisation of areas of economic activity, achieved through removing national jurisdiction over certain economic processes. The creation of transnational trading blocs such as the North American Free Trade Agreement (NAFTA), free trade zones and offshore banking centres form part of this process of de-nationalisation. Producing new forms of legality extends the space of governance transnationally, creating zones where identifying national interests becomes much more problematic because, as Sassen (1998, 2000) and others emphasise, much of the new legality de-territorialises spaces.

Nation states act to ensure the rights of capital by legitimising their activities and validating their interests in a transnational environment (Sassen 1998, 199). Transnational Corporations (TNCs) are of particular importance here. According to the WTO (1999a, para 16) they now control almost 80% of international trade and a large proportion of the flow of foreign investments, becoming what the WTO describe as 'economic empires in the global economy'. Sassen (2000, 18-19) points to their importance in the organisation of the world economy and its institutional framework. In this sense, some sectors of capital are more important than others, and the NLR is particularly preoccupied with facilitating the activities of TNCs.

Sassen's research points to deregulation as the primary mechanism through which the globalisation of various markets and industries was facilitated , and

notes that guaranteeing the rights of capital is an integral part of the objective of furthering economic globalisation. Sassen sees deregulation as much more than an extension of certain economic activities beyond national boundaries, for it is intimately connected with the production of 'transnational legal regimes that are operative in national territories' (ibid, 199). Thus, it is important to note that (ibid, 199-200).

National legal fields are becoming more internationalised in some of the major developed economies and transnational legal regimes become more important and begin to penetrate national fields hitherto closed...Deregulation and kindred policies constitute the elements of a new legal regime dependent on consensus among states to further globalization.

One of these kindred policies is full- and part-privatisation, now a crucial vehicle through which further globalisation is to be achieved. Scrutiny of the reams of policy documents, press statements, reports and minutes of committee meetings that issue forth from NLR organisations indicate consensus that the furtherance of transnational political-economies is both necessary and desirable, and that privatisation initiatives are important, with infrastructure development being an important area to open up to private rather than public-national interests (c.f., WTO 1998a; HM Treasury 1995; INTOSAI 2001).

Britain's role in the furtherance of this aim, through its participation in key organisations comprising the NLR, can be glimpsed by examining the Chancellor's participation at a series of meetings in Washington, DC, in his role of Chair of the International Monetary and Financial Committee of the IMF. On April 29, 2001, a series of meetings held by the IMF took place in Washington, including a joint meeting of The International Monetary and Financial Committee of the IMF and the Development Committee of the World Bank. The British Chancellor of the Exchequer, Gordon Brown (2001) reaffirmed the direction of policy when discussing in general terms the strategy for development and economic growth, which had been discussed more fully at the meeting of the IMF's International Monetary and Financial Committee. Here Brown (2001, 1) reaffirmed the neo-liberal policy infrastructure, considered the best, indeed the only, means through which to steer an unruly world economy (see also Brown 2001a). Leading the battle against unruly economic forces requires reform to European capital, labour and product markets, reform that promotes free trade, for, as the Chancellor explained (Brown 2001a, 2): '...We reject those that point to the instability of recent years and argue that we should turn our backs on globalisation...Instead we should through international cooperation press ahead for further trade liberalisation'.

Privatisation, in full or in part, is one means by which liberalisation is achieved. The 'pressing-ahead' was proposed by the WTO (1995) in relation to producing globalisation, and currently involves urging the EU to move forward with enlargement (Brown 2001a, 8) and to work towards a 'comprehensive new trade round' under the WTO, both of which contribute to the trade agenda through the creation of transnational market spaces, which then become spaces subject to transnational rules. The Chancellor, citing the example of the Uruguay Round that brought 'global benefits of more than 200 billion dollars per year' (Brown 2001a, 3) went on to suggest that 'a new Round could deliver welfare gains twice that size'. With capital accumulation now redefined as 'welfare', it is but a step to suggest that more 'welfare' can be delivered through private sector involvement in the resolution of the many crises besetting the world.

National governments, meanwhile, are blessed with 'new responsibilities to comply with internationally agreed best practice in policy-making...' (Brown 2001a, 4), a 'best practice' located in the neo-liberal policy agenda. Furthermore, national governments will be required to develop and comply with 'a framework of codes and standards' - indeed, frameworks, codes, and standards development are at the heart of activity in all such governance institutions (see Barry 2001; Pearson and Seyfang 2001). The new approach to crisis-resolution requires of public and private sectors the familiar litany of new responsibilities matched by new rights and expectations, with 'a clear set of presumptions that private sector involvement will be at the centre of crisis resolution...' (Brown 2001a, 3).

Social welfare in European Union policy: work, codes, and standards

This approach to policy making can be considered as an instance of governmentality, a particular way 'of thinking and reasoning' that is 'embodied in a particular set of practices' (Garland 1999, 17). The contemporary rationality of social welfare governance is organised around what Garland (1999) describes as an economic form of reasoning, in contrast to the more social form that characterised most of the twentieth century, reaching its apogee following the war. The economic rationality is embedded within a language of risks, calculation, probability and so on, translating economic forms of reasoning and calculation in to the social welfare field. This section elaborates these points through an account of social policy as a technology through which the EU translates the new rationality into a programme to reconfigure social life and social subjects.

The EU is a powerful player in the WTO, and whilst it proposes a 'social model' of development as an alternative to the Anglo-American one, the economic

and political thrust of policy is in line with NLR institutions. 'Welfare' in European Union institutions is broadly conceived in utilitarian terms - as the greatest good of the greatest number. Its achievement is deemed to be dependent on a thriving economic base coupled with political and social stability. Social policy instruments, traditionally understood by academics as the means through which welfare is delivered, are therefore oriented towards the goal of creating a 'social model' of European modernisation and development, and form part of an assemblage of policies that function as mechanisms through which the goal is to be achieved. Social welfare in the EU cannot be understood without examining its place within this assemblage of policies aimed at implementing the modernisation process. Such an examination reveals a process of transition characterised by Yeatman (1994) as a shift from a welfare to a competition state, signifying an orientation to generating resource maximisation in a competitive international environment.

The EU's analysis of problems that have to be addressed are posed as a series of external and internal difficulties which require the adaptation of institutions, as well as of group and individual behaviour. The external problems are posed as the 'challenges' of a new capitalism based upon knowledge production, economic globalisation and the development of new information and communications technologies. The internal problems refer to demographic and social change - the ageing of the population alongside a falling birthrate, with insufficient workers to support the ageing population and its imminent expensive pension, health and social care demands, as well as the changing role of women and family structures (c.f. CEC 2001). The interaction between these various changes is 'altering the way labour, product and financial markets operate' (CEC 2001, 13). The response to these problems is the goals of 'creating the most competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion' (c.f., *ibid* 2001, 3 et passim). Maintenance of the European social model is considered central to these objectives, but requires a modernisation programme to address the various challenges as well as 'to meet the demands of our citizens in their changing economic and social lives' (*ibid*).

To achieve the modernisation objectives the Union has developed a broad strategy aimed at: increasing the participation of people in social and economic life and in life-long learning; increasing skills and mobility; reducing gender differences in employment; reconciling work and personal/family life; improving the volume and quality of jobs; and promoting social cohesion through overcoming and preventing social exclusion. Social exclusion is understood as detachment from, or marginalisation in, the labour force. The strategy is based on a requirement that member states address the

promotion of economic growth through structural labour market reforms and policies aimed at changing social practices. The new capitalism requires a knowledge-intensive society, an ability, diffused throughout the social body, to harness knowledge in the service of production and job creation and, at the same time, function as a vehicle for social inclusion. If knowledge is the basis of production and the maintenance and creation of jobs, and if paid work is the route out of social exclusion, then placing 'knowledge' at the centre of policy is imperative. 'A knowledge-based economy needs to be able to draw on a workforce with a high level of basic and advanced skills, particularly ICT and digital skills, and a culture of lifelong learning'. Thus the new economy has a lot of needs: it needs a well-trained, adaptable, flexible and mobile workforce, an environment that stimulates enterprise and entrepreneurship, investment in both tangible (infrastructure and machines) and intangible (human capital, base science and social capital) (CEC 2001, 13, 77).

The problem with current welfare systems is seen to be that the patterns of working and domestic life that they were built on are undergoing fundamental change. There are new forms and organisation of work, with a pattern emerging of varied and working life, implying several transition periods for some individuals.

Socio-economic development is necessary and is based on two elements: 'competition between enterprises and solidarity between citizens and workers' (Larsson 1998). The former promotes productivity, entrepreneurship and economic development. The latter is necessary for social stability and the sufficient resource distribution that it requires. In discussing these issues, Larsson tackles a prevalent view expressed in public debate that social protection is a burden and drain on employment and productivity, and takes a swipe at the IMF (1998) by pointing out that correlations between productivity and social protection demonstrate quite the opposite. Those countries with the largest surpluses in their current accounts (Germany, Netherlands, Scandinavian countries) have the strongest social protection systems, whilst those with deficits (Greece and Portugal) have much weaker systems of social protection. Similarly, comparing the EU with the US, Larsson emphasises that the EU, with its relatively comprehensive and costlier social protection systems, has been in surplus for most of the last two decades, whilst the US, with its weaker systems, has been in deficit. However, welfare systems need to reform and modernise because of internal factors such as falling birth rates, ageing populations, and women's changed role in society.

Additionally, various changes have outstripped the ability of social protection systems to function effectively. Of particular concern is their failure:

- In creating the conditions for companies and workforces to utilise new technologies, production processes and consumer demands into growth and jobs.
- In providing support to those most adversely affected by change. Despite the relative success of the social model, the EU still experiences high levels of poverty (over 50 million people, many roofless), social exclusion and long-term unemployment (over 10% of the workforce, 18 million unemployed, 9 million of whom are long-term unemployed).

Although income is provided to people out of work the form of support does not offer an effective way back into employment:

'Social policies in many Member States have focused mainly on ensuring income support to individuals and families - through unemployment benefit, disability pension and early retirement schemes - to off-set the effects of cyclical and structural unemployment or ill-health. They have only to a small degree focused on assuring the ability of people to contribute and to earn.

About two thirds of the 200 billion ECU applied to labour market policy is spent on income maintenance, with only one third invested in improving employability of jobseekers. This doesn't help fight long term unemployment, it contributes to creating it' (Larsson 1998, 5).

From this perspective, the labour market policies of the past explain much of EU unemployment. Social protection systems should equip people for new working practices, function as 'springboards to skills and new jobs', rather than simply administering unemployment and labour market exit. Social policy is considered an important factor for economic progress, central to the maintenance of the European social model, which currently aims to support the development of a 'level playing field' for businesses, and equitable treatment, security and protection for workers, and enabling reconciliation of work and family life in EU member states. The new employment strategy is a response to unemployment and the perceived failure of post-war social protection systems to promote employability. In modernising social protection, 'social policies are being integrated with economic policies, to serve as a productive factor for growth, employment and prosperity' (Larsson 1998, 5). The shift is to 'active' labour market strategies rather than 'passive' ones, a shift that encompasses life-long learning and training,

This emphasis is a policy requirement: member states must implement this framework. Whilst undoubtedly there will be national differences in implementation, a new policy architecture is being constructed, one which will set the policy parameters, the institutional framework, for welfare delivery. In order to make this happen, the EU is moving towards an 'open mode of coordination' (OMC), which gives rise to much of the current obsession with

benchmarks and standards, regulations and so on. To create a single market in people, goods and services requires standardisation of myriad things so that objects and people can traverse borders easily. This can range from plugs and electrical goods, networking infrastructures, trade tariffs, competition policy, social welfare entitlements, through to professional social work qualifications (at the time of writing undergoing a consultative process). However, standardisation in many fields is going to be impossible to achieve, so that, under the complicated legal structure of the 'three pillars' that comprise the EU, a comprehensive exercise in harmonisation and coordination is underway in which the OMC has a central role.

Established following the Lisbon Summit in 2000, de la Porte et al (2001) argue that the OMC is likely to have substantial implications for domestic and European governance. It represents a complex and comprehensive strategy, a means of achieving 'best practice' and greater convergence across a range of areas, involving establishing benchmarks and indicators, developing guidelines and translating them into national and regional policies, monitoring, evaluation and peer review (see de la Porte et al. 2001). The OMC is to be applied to the area of poverty and social exclusion, an area deemed necessary to the success of the overall strategy, and driven 'by recognition of the linkages between economic, monetary and labour market policies on the one hand, and employment, social protection and social cohesion policies on the other hand: the latter cannot be left to be managed at national level alone, given their consequences for the former' (de la Porte et al. 2001, 296). The difficulties involved in trying to harmonise particularly the very disparate social protection systems of 15 member states means that the OMC can only be utilised to promote dialogue and cooperation. So far, only in the field of pensions is benchmarking being developed.

Administering modernisation: technologies of knowledge, the individualisation of risk, and citizen identity

Garland (1999, 52-3) points out that liberal governance utilises social technologies that operate at different levels: through the provision of infrastructure; the construction and mapping of space; the management of collective and individual risk; the fostering of particular subjectivities; and attempts to the rights and capacities of individuals considered to lack the competencies to participate in social and economic life. We have seen the first (provision of infrastructure) and latter (socially excluded populations) as targets of intervention in the section above. The practices there detailed are characteristic of liberal rule, but in its current manifestation effected through being subject to the increased resort to technologies such as fiscal control, economy, efficiency, audit and market competition to control institutional

decision making.

However, another dimension of the modernisation strategy is seen in the current governance rationality which simultaneously creates another object of intervention, an attempt to reconfigure a new subject of self-governance through the application of risk technologies such as the construction and mapping of space. Administering the strategy requires an army, a vast array, of experts to break down and classify the various components that it addresses. The population is carved-up in terms of characteristics associated with employment status and related issues: social ascriptions in relation to the differential distribution of employment, unemployment, job satisfaction and dissatisfaction, temporary, part- or full-time work, high or low skilled, earnings, job protection, prospects, mobility between categories, reproduction and fertility, ratio of young to old, male to female, and so on. Statistics, charts, and tables are the technologies of knowledge central to the contemporary re- mapping of European Union member states' sovereignty and their citizens' rights and obligations.

The explosion of expert knowledges required in this process is producing social policy aimed above all at the encouragement of self-regulation, self-management and self-responsibility in relation to the risks associated with earning and not earning. Whilst this dimension has arguably been a feature of policy since the nineteenth century (c.f., Offe 1984) what is striking about contemporary policy is that involved in the multitudinous initiatives linking social to employment policy, is a concern with reworking citizen identities; identities are increasingly being configured as risk identities, with various experts assessing, monitoring, profiling, classifying and mapping populations in terms of risks associated with individual and group exclusion, unemployment, productivity, health, fertility, family status, dependency, social and political instability. Increasingly, conditions of individual's lives - employment, unemployment, marriage, divorce, child rearing, illness - are configured as contingent risk factors, an attempt to map any condition or event from which a probability can be calculated. Thus policy is based upon 'risk rationalities', a principle of calculation and prediction, ordering the social in such a way as to make it governable in terms of neo-liberal imperatives through particular procedures and for specific purposes (Adkins 2002).

A central aim is the (historically on-going) constitution of 'active' subjects - people developing themselves as subjects orientated to risk and mobility. All parts of society are to be 'empowered' to work (CEC 2001, 13). This is to be achieved by a reorientation of education and training, to allow workers access to life-long learning, through a range of measures including removing current barriers to vocational training. There is a pattern of risk transfer to individuals

(Anxo and Storrie 2001, 15). Responsibility for navigating new forms of work and employment relations rests upon individuals, hence for example, the British Quality Assurance Agency's criteria of 'responsibility for own learning', 'learning in unpredictable contexts', and so on as evidence of 'good' teaching practice. Education becomes a major site of identity production, tied ever more closely to workplaces and economic actors and activities. But this pattern extends across the agencies dealing with different life events such as retirement, medicine, and social care. Policies and programmes concern imperatives characteristic of advanced liberal rule - techniques and practices that are aimed at extending governance through the actions of self-managing individuals. Thus policy is concerned with strategies for behavioural change. There is a targeting and monitoring of whole populations through policy activities.

In all this, the social is expressed through an economistic model that is understood as the generic form. We see the production of a concept of the social that situates individuals within contradictory frameworks of rational autonomy (individual responsibility, self-management, etc) and social interdependence (family, caring obligations, child-rearing, tolerance, responsibility, community, etc), simultaneously in a discourse of individual and social potential.

Conclusion

Much of what we are confronting currently - social exclusion, a welfare strategy based on accessing paid work, and governance via procedures, standards and audits, described by de la Porte et al. (2001, 302) as 'post-regulatory' governance- are outcomes largely, if not exclusively, of the Britain's participation in transnational governance institutions. It is hard to identify a single public policy area that is not subject in some way to such transnational regulation. The policy architecture currently being constructed in NLR institutions signifies the end of welfare as known by those who grew up in the post-war era. The hegemonic status of neo-liberalism in policy development has already forged a whole raft of spaces governed by transnational political rules and legalities. Privatisation, a close cousin of marketisation, is high on the agenda. If the provision of water, that most basic of human needs, can be entrusted to a handful of TNCs, it is not inconceivable that, in the long run, most services will go the same way. An important dimension of the privatisation programme is the creation of transnational spaces. Equally important is the creation of standardised, or more likely harmonised, practices and procedures, partly so that various things can travel across borders, and partly because the transformation of 'public goods' into consumer commodities requires standards of comparison. The blizzard of

benchmarks, guidelines, audits and so on that characterise contemporary policy is likely to continue. So is the welfare=work thrust of contemporary policy, along with the individualisation of risk responsibility.

I am not as sanguine as Deacon (2001, 157) and others who point to differences of opinion within the NLR as evidence that policy may shift, or who see no necessary connection between neo-liberal economic and social policy. In contrast, I see the economic strategy as absolutely dependent on the social strategy and I fear that the dominance of TNCs and corporate business on the welfare agenda will simply shift public services into highly residual, welfare policing roles, dealing with those too damaged in one way or other to participate in the brave new modernised world. This may cost as much as previous services, but statistics on expenditure cannot tell us anything about the form and nature of services, nor their role in organising symbolic and social relationships. The only discussion of those unable to participate is in terms of the imperative of social inclusion. New Labour's lack of attention to social work, as opposed to the structural organisation of social care delivery, noted by Orme (2001), is mirrored in the EU. Nowhere is there discussion of how women are actually to reconcile work and family life, for example. Tax breaks to employers to encourage provision of nursery care will not help with the care of elderly confused people, disabled children, teenagers or sick people. Nor does the transitory nature of much employment lend itself to such arrangements. And neither do the recipients of care at home, or users of social work agencies, figure as potential customers in an expensive private care market.

One is hard pushed to find signs of successful interventions into the social exclusion problem involving corporations. Water and other forms of privatisation have merely exacerbated exclusion (Drakeford 2000; Hall 2000) according to those who have researched this. The operations of economic actors inserted into global markets similarly produces relations of pronounced centrality and marginality. The much revered world of work is posing acute problems for EU policy as so much of this work is transient, unsafe, unhealthy, or pays wages inadequate for basic expenses, or a combination of these characteristics, hence recent (voluntary) codes of practices for multinational corporations from the EU and OECD, together with a green paper produced by the EU on 'Corporate Social Responsibility'. In the meantime, many turn to the illegal economy, as workers, consumers, traffickers, distributors, security, accountants, lawyers and more, posing increasing law-enforcement problems. As that economy grows at an extraordinary rate, so does the problem of money-laundering, particularly as public sector privatisation programmes have proved most attractive to organised crime, and the volume of money that needs washing threatens not

only the stability of the legal economy (Bureau for International Narcotics and Law Enforcement Affairs (BINLEA 2000; UN 1996; IMF 1998a, 1), but whole countries in some cases. It is a situation that can only worsen as long as policy continues to be embedded into a simplistic model of social and human life that cannot begin to calculate its inter-subjective, ethical, complex, inter-dependent, messy and non-linear dimensions.

Social work will always be needed if societies are to achieve the social order that NLR institutions are concerned with. In order for social work in Britain and other European Union member states to develop a voice in policy-making loud and powerful enough to hope to make a dint in the current agenda, it will be necessary, in my view, to forge a cohesive transnational social work organisation that can operate at such a level. It is not 'New' Labour alone that needs to be persuaded of the need for policy shifts: it is those with whom it exercises its governance capacities, including transnational corporations.

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