



Market, Management and Profession. Social Business in the Polder

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Introduction

In a recent policy document of the organized employers in the care and welfare sector in The Netherlands (the MO Group), directors and board members of care and welfare institutions present themselves as “social entrepreneurs”, managing their institutions as look-a like commercial companies. They are hardly criticized and there is not any countervailing power of significance. The workers are focusing on their own specialized professional fields and divided as a whole. Many government officials are in favour or do not bother. The relatively small number of intellectual workers in Dutch care and welfare are fragmented and pragmatic. From a democratic point of view this is a worrying situation. From a professional point of view the purpose and functions of professional care and welfare work are at stake.

The penetration of market mechanisms and the take-over by commercially orientated managers result from unquestioned adaptation of Anglo-Saxon policy in The Netherlands in the 1990's, following the crisis of the Welfare State in the late 1980's. The polder country is now confronted fully with the pressure and negative effects of unbalanced powers in the institutions, i.e. managerialism.

After years of silence, the two principal authentic critics of Dutch care and welfare, Harry Kunneman and Andries Baart, are no longer voices crying in the wilderness, but are getting a response from a growing number of worried workers and intellectuals. Kunneman and Baart warn against the restriction of professional space and the loss of normative values and standards in the profession.

They are right. It is high time to make room for criticism and to start a debate about the future of the social professions in The Netherlands, better: in Europe. Research, discussion and action have to prove how worrying the everyday situation of professional workers is, what goals have to be set and what strategy to be chosen.

The spirit is out of the bottle.

The Internet website of Dutch employers in care and welfare is full of the new capitalist spirit in this group (www.mogroep.nl). The welfare employers call themselves “social entrepreneurs” and talk about their sector as “market” and “trade”. The policy of the welfare employers, described in the document *Beleidskader 2002-2006 (Policy framework 2002-2006)*, looks like that of a decisive commercial company. The policy for the care and welfare sector is built on three topics: *business in a demand oriented market*, *business in a complex market* and *business in a competing market*.

The unsuspecting citizen, thinking of care and welfare as a subsidized form of non-profit services, is shaken out of this thought as follows: “The welfare trade is for its tasks and funding no longer exclusively oriented on the (local) government. The entrepreneurs in welfare contract other parties and deal with other financiers. They operate more and more with their services on the market and outside their original territory. The financial monitoring by the local government is increasingly in accordance with social entrepreneurship. Steering is based on output financing, i.e. on results.” (MO Groep, 2002)

According to the social businessmen (or: *entrepreneurs in welfare*, as they prefer to call them selves), the customer only benefits from this development: “Entrepreneurs in welfare operate more and more demand oriented. The services are related to consumers preferences. Not only local communities, provinces and trade and business, but also ordinary citizens function more and more as professional customers, for instance through a personal care budget.” (MO Groep, 2002).

The definition of reality by the care and welfare employers, is a curious mix of facts, assumptions and wishful thinking. It is true that the subsidizing government demands output oriented budgets of the institutions and use them as a basis for funding. However it is more wish than reality to say that many work is done outside the government, on the market. Except for day-care and (a part of) family-care, the care and welfare sector is still based and depending on public tasks and public funding, direct (local, provincial and national governments) as well as indirect (police, judicial authorities, health care institutions, housing co operations etc.). Whatever the employers say: care and welfare still draws money from the public purse.

The concept of *demand oriented activities* is one of the corner stones of the commercial approach and is used as such, whether it is relevant or not. The concept has so much of the nature of a truism (who is against demand oriented activities?) that every substantial discussion is hampered, especially when the concept is presented rhetorically as a doctrine of commercial working. Let me only notice here that the concept of *demand oriented activities* is connected directly with whom are considered customers. That is – according to the Dutch employers in care and welfare – quite a colorful parade of governments, authorities, institutions, companies and recently also individual citizens with their personal care budget.

The idea of “customer benefit” functions as the ultimate legitimation of the commercial approach in the non-profit sector in general and in care and welfare in particular. It is used as a legitimation, but it is unfounded, not “evidence based”. One has to answer questions like: what customer? In what respects is that customer better off? And: at what expense?

The commercial vision of the Dutch care and welfare employers has to be questioned in a critical and fundamental way

It is high time to answer such questions in a thorough, scientific manner. As long as that is not or hardly the case, the idea of the *Marktfähige* care- and welfare sector will be reinforced, becoming a kind of *self-fulfilling prophecy*. See what the Dutch care and welfare employers write: “The branches of Welfare, Youth care and Day care are subject to change from offer oriented to demand oriented activities. The social entrepreneurs use different and new financial sources. The realization of societal objectives is getting a commercial and industrial face.” (MO Groep, 2002) LEIDSKADER

Lack of counterbalance

The policy of the Dutch care and welfare employers has a strong influence on the functioning of care and social work in The Netherlands.

It concerns a relative small, but powerful group of managers and governors, pulling the strings in a decreasing number of expanding institutions. These ladies and gentlemen rule over tens of thousands of employees, have exclusive connections and operate in complex networks. They also have a growing influence on professional education in The Netherlands, stimulated by policy makers and educational managers.

Despite fundamental changes in their policy and functioning, care and welfare employers have so far hardly met with opposition from employees, clients, researchers or publicists. This is bad news, because the care and welfare employers are only one of the actors in the arena. In a democratic society they deserve to be contradicted. The other actors fail to raise their voices or can not be bothered.

At the various level of government, many civil servants and politicians join the *market game*, because they expect from the market mechanism more efficiency and a better grip on budgets. The employees in care and welfare are generally divided, operating and thinking mainly from their own specific area and professional group. The thinkers in Dutch care and welfare (the scientists and publicists) are largely invisible. One can not expect too much from them, because they are with few, fragmented, weakly organized and usually rather pragmatic of attitude.

All these factors are result of developments in the Dutch welfare state during the last three decades.

This does not make the Dutch actors in care and welfare less accountable for the rather uncritical and ill-considered way in which commercial ways of working are implemented within government bodies and non governmental institutions in The Netherlands.

Neo liberal policy

The implementation of market mechanisms in care and welfare is actually a form of privatization policy. Privatization is result of a withdrawing government giving up tasks and leaving them to the free market, expecting to stimulate demand orientation and efficiency of services and facilities with it.

From this point of view, privatization policy is a reaction to the *crisis in the Welfare State during the 1980's* in the Western industrialized countries. Under the influence of the changing societal climate, characterized by a *revival of liberalism* and free enterprise, many governments, with the conservative British government of *Iron Lady* Margaret Thatcher in front, cleared the way for privatization in governmental and non profit sectors.

The British social worker and sociologist John Harris recently published an eye-opening book about this, entitled: *The social work business* (Harris, 2003). He describes how in Great Britain a new social group of *managers* was formed on the waves of neo liberalism and inspired by popular management theories from the United States. And how they gained access to government bodies and non profit institutions. The new class of managers developed fast into an *elite*. It concerns a pedantic elite, not very open to criticism. Self-satisfied too, because it has the *winning ideology* at its side (communism collapses at the end of the 1980's) and - what it considers - the *universal* technology of market instruments.

I always remember that Dutch welfare director, who likes to state firmly, at appropriate moments, that there is no difference between managing a tin food factory and a welfare institution (!).

In Great Britain the successive conservative governments practiced a far-reaching policy of privatization. The British still experience the consequences of it today. Great Britain has been

followed in that policy by Commonwealth countries like Canada, Australia and New Zealand. On the European continent especially The Netherlands promoted the new neo liberal policy. German social pedagogues, preparing and leading the battle for the realization of a progressive European Social Policy, call The Netherlands in this respect: “a springboard for the Anglo-Saxon model.”

In the 1990’s especially the welfare part of Dutch care and welfare was affected by severe budget cuts in the preceding decade.

In the 1980’s the Dutch Welfare State – the extended system of collective care, mainly built up after the Second World War – groaned under its weight. The system became too expensive (more than 60% of the National Income) and the users became too easy-going or too lazy. Employers used the system improperly (benefits for disabled workers and subsidies for themselves), institutions were not coordinated, and the efficiency and effectiveness of institutions and services were questioned.

As a result of societal and political discussions, the government developed and started six long-term operations to manage the Welfare State (Gevel v.d. & Goor v.d., 1989: 65-71).

These so called “Great operations” were:

1. Reconsidering public tasks: no looking after from the cradle to the grave anymore. More individual responsibility is expected from citizens.
2. Decentralisation. More control and funding from the national level to the provincial and local level.
3. Privatization in all variations: privatization of public services, implementing market mechanisms in non profit institutions, introducing private contributions and a shift from input to output financing in care and welfare
4. Deregulation: reducing laws and regulations and leaving more to citizens themselves
5. Reorganization of the national government, resulting in a smaller, more efficient state system
6. Fewer civil servants.

As a matter of fact, Dutch politics followed Thatcher’s approach in England, and opted for the *discipline of the market*, so for a neo liberal social policy with less governmental involvement and more market mechanism.

In Dutch social policy the *citizens’ own responsibility* became the central concept. The citizen has to do more himself. The government only intervenes when it goes wrong or seems to go wrong. The focus of social work shifted to deviant and marginal groups in society. Care and welfare had to be organized like industry, in large scale institutions, distinguishing themselves by advertising their services.

Welfare policy in The Netherlands became part of a wider Social Policy. Until today (2003) social policy elaborates on the Great Operations in the 1980’s.

Paradoxical developments

In 2000 Andries Baart evaluated the development of care and welfare in the last two decades of the 20th century. He listed the most important changes in Dutch care and welfare, showing their pros and cons (Baart, 2000: 8-16).

These so called “six paradoxical developments” can be summarized as follows:

1. *Differentiation*

There is more precision, professionalism and specialistic effort. There is also more attention for accountability of the work. On the other hand: coherence is lost and accountability turned out to be avoidable. Management has no eye for daily work experiences and bureaucracy has increased.

2. *More methods and procedures*

For instrumental-technical competence, predictability and practical/theoretical foundation, a price is paid in the form of depolitization, standardization and suppressing normative discussions.

3. *Bureaucratic fairness*

There is more equal treatment in similar cases. But because of that, there is also more emotional distance, indifferent treatment and formalism.

4. *Market and industrial thinking*

Efficiency and effectiveness increased. Successful approaches are rewarded and standardization is realized. The price paid for it: many of the professionals are downgraded to the level of factory workers. Difficult cases with little chance on success are passed on to someone else or are avoided.

5. *Instrumental calculation*

Practical work is bound to tight, managerial ropes. That results in the advantage of more planning and convenience. There is less space for narrativity (people’s stories), moral significance and so called “slow” questions. Problems are redefined into manageable institutional terms.

6. *More status for the profession*

According to Baart, the professional groups in care and welfare gained more status and respect in society (I should say: succeeded to maintain it, W.B.), despite the internal downgrading of the work. However, this was at the expense of contacts with ordinary people. Such contacts are looked down on, and nearness is avoided as much as possible.

Growing criticism

Already for many years there have been critical analyses of the implementation of commercial-industrial ways of working in care and welfare. They are to be found in the work of two of the few authentic Dutch thinkers on care and welfare: Harry Kunneman and Andries Baart. Both men operate in and from philosophical, normative circles (The Humanist and the Catholic University in Utrecht), in which detachment needed for critical reflection is still observed.

This is typical of the situation in The Netherlands, as it is typical also that it took many years before a larger group picked up the critical line of Baart’s and Kunneman’s thinking.

Earlier efforts to start a discussion failed. In 1998 Taco Brandsen published a perceptive, but clear article in the Dutch magazine *Tijdschrift voor de Sociale Sector* on negative consequences of commercial-industrial ways of working in care and welfare in the form of *managerialism* .

Today the criticism is connected, at last, with increasing complaints of workers. A sign of that is an interview (“Solutions do not come anymore from The Hague”) in the Dutch magazine *Zorg en Welzijn* (February 2003) with Gabriël van den Brink, representative of the country’s important research and development institute NIZW. According to him “citizens and professionals are weighed down by the way in which institutions and organizations have worked since the 1980’s. Today, many institutions work in a commercial, client oriented way, marketing their ‘products’. The industrial model is transplanted to the public sector”.

Van den Brink refers to the current problems caused by this model. “A top-down structure is established, in which the managers determine what the professionals have to do. When they are confronted with a problem, managers can come up with any so called solution, but they are not able to judge it at all”. The remedy is clear: “Professionals should have room to work on the basis of their own judgement, not forgetting to involve the ordinary citizen.” (Brink v.d., 2003).

Two angles

The commercially operating care and welfare sector is criticized from two angles which are connected, though different:

- a. the *existential perspective*: concentrating on the impact of commercial-industrial ways of working on the professionalism of workers;
- b. the *strategic-organizational perspective*: concentrating on the impact of commercial-industrial ways of working on the functioning of institutions and the work relations with target groups.

I will describe and illustrate both perspectives.

Toward meaningful professionalism and workable organizations

In the last fifteen years Dutch social work has not only been confronted with ongoing budget cuts, but also, according to Kunneman "with a new, output oriented management style, in which the financier is the customer and workers are supposed to provide clients with services to be calculated accurately, in as little time as possible and with a maximum of efficiency" (Kunneman, 1996: 107).

That is not without consequences: “There is more controlling and checking on meso and micro levels than ever before. Under the cover of a neo liberal, market and management oriented word game, project planning and process control are practiced with a vengeance. Social work offers a clear illustration of this development” (Kunneman, 1996: 107).

Kunneman states that ideologically the focus shifted from solidarity to autonomy and self management. This did not happen without consequences for the conception and content of professionalism in care and welfare. “Professionals in the welfare sector are expected to be first of all technically competent: professionalism is taking care that your methods are okay, that the agreed output is achieved and that the financier/customer is satisfied and the subsidy continued.”

Many workers in care and welfare, but also those in education, will recognize this. That recognition is unpleasant and sometimes even painful, because a dominating technical concept of professional work undermines essential qualities of the work. Kunneman refers to the phenomenon of the so called “illegal supervision”: when workers with insufficient working time, continue help in their own time. The complement of this phenomenon is constituted by “(..) workers who are not even willing or allowed to start supervision if the

intake shows that the problem of a client will entail many house visits and needs a disproportional amount of attention". (Kunneman, 1996: 107/108).

It is clear that the commercial-industrial functioning of care and welfare is targeted here. Due to the application of business principles in care and welfare institutions, the power of managers increased and in many respects has become disproportional, disturbing a balance of powers that is appropriate for the well being of organizations.

The disproportionate influence of managers on executive workers affects the contents and significance of the actual job. When the business approach becomes predominant, one speaks of *managerialism*.

To those who are not yet familiar with the word managerialism, it is interesting to type it in a search machine and connect with Internet. When I did that recently in www.google.nl, a total of 10,100 locations were reported!

Brandsen describes *managerialisme* (in Dutch: managementisme) as a form of management "... oriented on economically defined efficiency and effectiveness and result directed control (...), combined with ample power for managers to shift standards. This structure enables the manager to limit the powers of other professionals and to centralize initiatives & competences in the organization." (Brandsen, 1998)

Managerialism leads to a technical concept of professionalism, jeopardizing content and significance of the actual job. It is the merit of Brandsen, but also of Kunneman and Baart, that they analyzed and warned against processes of systematic limitation of the individual acting space of professionals in the care and welfare sector.

Kunneman and Baart advocate revitalization and recreation of normative conceptions of professionalism. According to Kunneman, the concept of *normative professionalism is developed* as a critical counterpart of technical professionalisation concepts. "The critical character of the concept is based on the principle that, if anything, professionalism in welfare implies a normative position, politically as well as existentially. This brings with it an appeal to make this position explicit, to justify it in a reflective way and to use it as a yardstick for individual professional functioning." (Kunneman, 1996: 107).

Baart worked this out, and came up later with his *presence approach* (Baart, 2001).

Room for criticism and time for discussion

In the past decades, the Dutch care and welfare sector, and the Dutch government, embraced the market mechanism relatively uncritically. The subsidizing government functions as a customer wanting value for money.

Managers give themselves out as "entrepreneurs" (businessmen), imposing business standards on their institutions. Workers are especially held accountable for time and production, resulting in restricted room for their professional activities. What is measurable, is considered objective. What can hardly be measured, is ignored or avoided.

Despite all the fuss about quality care, the content of social work is vanishing and contacts with target groups are weakening. The relatively high percentage of care and welfare workers on sick leave is a writing on the wall. In a democratic country, all actors involved in care and welfare may be expected to take criticism seriously, to stimulate discussion and subsequently translate useful conclusions into institutional policy or governmental politics.

It is high time for the *discipline of the market* to be widely discussed, while its consequences for professional functioning should be carefully considered. After all we are faced with an

important issue: the survival of meaningful professional practice in and from workable and accessible organizations. In care and welfare, but also in professional education, the balance between management and executive levels is upset. The content of social work and the conditions, under which it is practiced, deserve full attention in the coming years. The way in which care, welfare and educational institutions are managed, has to be changed and improved in order to prevent further professional and social damage. To avoid misunderstanding: efficient functioning of institutions and careful spending of the taxpayer's money are essential.

However it must be possible to organize and manage work processes in a more intelligent, humane and reflective way than one can observe today in too many of our social, educational and medical institutions.

I want to raise two questions that have to be asked and answered in any case. (1) Do professionals have sufficient room to do their work in a responsible way? (2) How can professionals get a better grip on content and (pre)conditions of their work? What and who are needed for that? How can this be realized generally and effectively?

The social sector is of vital interest to a modern, democratic society. Therefore it is worth while, necessary even, to answer these and other questions, to find and realize satisfying solutions and to implement necessary changes.

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