A Critical Social Work Response To Wealth And Income Inequality

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This paper will argue that wealth and income inequality are among the most pressing issues for contemporary social work. Despite this, social work as a discipline and profession has, in the main, been slow to respond to this growing problem. Critical approaches to social work, however, have always included a commitment to eliminating poverty, promoting equity and addressing both the causes and consequences of socio-economic disadvantage as a core priority. This paper will discuss the contributions critical social work can make to socially informed and ethical responses, particularly through its critical pedagogic, reflective and activist practices in contesting wealth and income inequality.

World leaders like Pope Francis and President Obama, have recently identified rising economic inequality as ‘the defining challenge of our time’ [1]. This article will argue that wealth and income inequality likewise constitute a definitive test for the viability of contemporary social work and human service practice in Australia. However, the responses to this resurgent and growing problem by mainstream social work, as a discipline and profession, have in the main been slow, contradictory and misdirected by the neoliberal capture of social policy. Australian social work is not alone in this respect; the President of the International Federation of Social Workers, Gary Bailey, urged social workers at a world conference in Melbourne in 2014 to ‘become more political’ in tackling inequality (Horton 2014). Critical approaches to social work, however, have always addressed both the structural causes and personal consequences of socio-economic inequality in a political manner. This paper will discuss the contributions critical social work is making and can make, particularly through its critical pedagogic, reflective and activist practices in contesting wealth and income inequality.

Wealth And Income Inequality: The Facts

In Australia, as in other capitalist countries, the benefits of economic prosperity are not evenly distributed; some citizens experience the wealth as enabling and opportunity-promoting, while others experience significant disadvantage as a result of social and economic inequality (Morley et al. 2014: 31). The capitalist system has created more wealth globally, at US$250 trillion, than at any other point in history (Credit Suisse 2015: 4). However, despite some improvements, the total number of the world’s extreme poor (on less than US$1.90 a day) is the same as it was 200 years ago (Roser 2015) and the absolute ‘gap between rich and poor [worldwide] is reaching new extremes’ (Oxfam 2016: 2). This gap is growing not only between rich and poor nations but within Western countries, where the OECD (2015: 24) reports income inequality has reached its highest in 50 years.

Rapidly increasing inequality in both income (wages and investments) and wealth (assets minus liabilities) is becoming a crucial social issue for Australia, requiring the urgent attention of government, the welfare sector and social work. The past 40 years has witnessed a major decline in wage-earner’s share of national income from a peak of 62.5% in 1975 to around 53.4% by 2014 (Griffith 2011: 15-16; Mitchell 2014). This loss in wages has been re-concentrated upwards into profit, particularly from the 1990s onwards. By 2014, the wealthiest 20% of Australians owned 61% of total household net worth, which is 71 times the wealth of the bottom 20%, whose share is barely 1% of national private wealth (Richardson and Denniss 2014: 10). Further research by Oxfam Australia (2014: 2) claims the top 1% of Australians own the same wealth as the bottom 60%. Researchers at the Australia Institute say ‘the income share of the top 1% has doubled, and the wealth share of the top 0.0001 (the richest one-millith) has quintupled’ in recent decades (Douglas et al. 2014: 8), with the richest 7 people in Australia now owning more than the poorest 1.73 million households (the bottom 20%) (Richardson and Denniss 2014: 2). At the other end of the wealth spectrum, the bottom 20% rely on ‘Newstart’ [2] to survive. This is the second lowest unemployment benefit of all OECD countries, offering a level of income support that is 20% below Australia’s relative poverty-line (Denniss and Baker
Consequently, one in every six Australian children now lives in poverty (Douglas et al. 2014: 14). International research reports similar findings about increasing global wealth inequality. The richest 1% of the global population now have more wealth than half of the rest of the world, whereas the bottom 80% have just 6% of the world’s wealth (Oxfam 2016: 9). These profound wealth disparities have exploded in the past 10 years, with the richest 10% receiving 50% of the growth in incomes, and the richest 1% monopolising 22% of these increases (Ostry et al. 2014). An earlier Oxfam (2013: 2) report shows that the richest 1% globally has increased its income by 60% over the past 20 years, with the global financial crisis (GFC) accelerating, rather than impeding, the financial concentration of wealth. Consequently, in 2016 the richest 62 people in the world possess more wealth than the poorest 3.6 billion people (Oxfam 2016: 2). Whilst international comparisons demonstrate that wealth inequality in Australia is not yet as pronounced as in some other liberal-capitalist societies, the rate at which Australia is advancing towards greater inequality is faster than in most comparable OECD countries (Douglas et al. 2014: 38).

The disadvantage associated with growing socio-economic inequality has profound and widespread impacts for all Australians. Research identifies a range of adverse consequences strongly associated with increasing inequality, including intergenerational poverty (Krueger 2012) and related social problems like increasing crime rates, higher rates of suicide, increasing morbidity and mortality rates; amplified mental health problems and rates of violence (Wilkinson and Pickett 2010; Douglas et al. 2014: 14); all of which are key areas for social work. However, recent calls from world leaders and multi-lateral organisations such as the International Monetary Fund (IMF), World Bank, and World Economic Forum (WEF), to investigate mechanisms to arrest wealth and income inequality, are unusual. The divisions have become so disproportionate that they risk dramatically stunting economic growth through several mechanisms including weakening progress in health and education, producing investment-reducing political and economic instability, and undermining the social consensus needed to adapt in the face of major shocks (Douglas et al. 2014: 16; see also Stiglitz 2012: 112-116; Piketty 2014: 263). Recent OECD data suggests that rising inequality reduces economic growth by 0.35% of a percentage point per year, representing a cumulative loss of 5% over a 25-year period (Cingano 2014: 17-18). The IMF similarly demonstrates that a global increase in inequality of 5% (measured by the Gini Coefficient) causes a corresponding decrease of around 0.5% growth per annum (Ostry et al. 2014: 18). Whilst the effects of profound economic inequality are clearly identifiable for the poor, it is becoming apparent that extreme inequality also threatens the rich. Hence, we all have a stake in the redistribution of income and resources. Furthermore, as researchers at the Australia Institute warn ‘The longer Australia delays efforts to restore equality of opportunity, the greater the future social, economic and health costs will be’ (Douglas et al. 2014: 23).

The Social Context

In twentieth century, Western societies, inequalities in wealth and income were managed by the economic and social policies of diverse welfare state regimes (Habibis and Walter 2015: 101-103) designed to ameliorate poverty and institute some redistributive measures to avoid internal social crises. The period from the 1920s to the late 1970s has been called the “Great Compression” (Leigh 2013: 43), whereby wealth and income inequalities were reduced in most Western nations and Australia was more egalitarian than most (Douglas et al. 2014: 38). Since the late 1970’s, however, in the wake of various crises and globalisation, there has been a generalised retreat from social provision on the part of nation-states in favour of neo-liberal market ‘solutions’. Today, economic policies in the OECD vary widely in terms of their regulation or liberalisation of market forces and social policy approaches are likewise varied in their targeting of disadvantage (Carson and Kerr 2014: 15).

In Australia, the reduction of economic inequality was achieved historically through a combination of labour market regulation based on industrial arbitration with strong unions securing a ‘living wage’ (from 1907-1990s) and government welfare provisions (funded by progressive taxation transfers). Equity promoting policies have included state education, public health outlays, pensions, anti-racial and anti-gender discrimination legislation, national disability insurance, family services and allowances, and paid parental leave (Carson and Kerr 2014: 52-65). However, the past 30 years of economic restructuring has seen a considerable diminution in industrial arbitration and public provision, whereas executive salaries and corporate profits continue to rise. This slide into inequality has been justified by liberal (now neoliberal) economic doctrine, particularly among political conservatives, imposing market-driven, private provision for social problems. Insofar as it considers inequality at all, this approach deploys Kuznets’ (1955: 17-18) theory to argue that long-term economic growth alone will decrease inequality without recourse to redistributive policies.

Recent conservative governments have enacted policies that will exacerbate, rather than reduce wealth inequality in Australia (Richardson and Dennis 2014: 2). These include proposed tax cuts for the wealthy, cuts to Medicare, attempts to deregulate higher education increasing student debt and further deregulation of the labour market.
Conservative politicians, while manufacturing unfounded fears about ‘out of control public spending’ and budget deficits, will publicly subsidise private schooling, private health insurance and superannuation for the affluent (Richardson et al. 2014: 15).

The responsibility for developing and implementing social policies is largely born by governments, but also public/private partnerships and non-government organisations (NGOs). A range of agencies tasked with delivering equity enhancing programs and projects broadly constitute the welfare and human/community services sector, in which many social workers are employed. This (government and non-government) work force, compromising more than half a million workers (513,000 or 4.5% of all employed people in Australia) (ABS 2011) is staffed by professionally trained human/community services practitioners, including social workers. These practitioners do not control policy but neither are they powerless in policy processes or public debate. They can have an equity-promoting influence but only, as Gary Bailey suggests, if they can link their practice to the political domain.

Social Work

According to the Australian Association of Social Workers’ (AASW) Education and Accreditation standards, ‘The social work profession promotes social change ... and the empowerment and liberation of people to enhance wellbeing’ (AASW 2012: 7 quoting AASW 2010, italics in original). Social workers aim to promote social justice and human rights ‘by working to address the barriers, inequities and injustices that exist in society ... Social workers also pursue their goals through involvement in research, policy development and analysis’ (AASW 2012: 5).

Despite this long-standing commitment to social justice, Australian social work’s professional association has made only the briefest public statement on rising income inequality (AASW 2014). It recommends six social policy measures to address inequality, including the raising of all benefits above the poverty line, taxing higher incomes and job creation for indigenous Australians, the long-term unemployed and people with disabilities. Nowhere, however, does it indicate how social workers or the community services sector might promote these measures. In practice, many interventions responding to the adversities of wealth and income inequality are contradictory and confused (Davis and Wainwright 2005: 261). However, it is not the case that social workers or their professional body have simply abandoned social justice (O’Brien 2011: 143). Rather, the dominant neoliberal discourse on welfare provision, and in the education of the welfare professions, has occluded its structural and political dimension (Mullaly 2010: 12-13).

Most social workers are employed in government or government-sponsored organisations and the neoliberal colonisation of government policies since the 1980’s has privileged managerial and market mechanisms for addressing social needs and emphasised ‘individual responsibility’ for poverty and unemployment. This has influenced service provision in ways that positions practitioners to reinforce, rather than contest, social and economic exclusion (Wallace and Pease 2011: 132). This occurs through individualised assessment and treatment practices that overlook the role of socio-economic factors in producing and maintaining inequality (Marston and McDonald 2008: 262). Therefore mainstream practice responses from the helping professions range from assisting individuals excluded from the labour market to adapt and cope with the injustices they suffer through to blaming the victims for their exclusion (Parrott 2014: 17).

The practitioners who deal most directly with the realities of economic inequality work in the fields of unemployment, income support, homelessness, job placement schemes, food relief, emergency housing, mental health, substance abuse, and so on. Mullaly (2010: 12-13) says their constant focus on the consequences, rather than the causes of inequality, separates the personal distress of poverty from the political realm. Also, as social work and the human services are increasingly privatised, many fields of practice have become commercialised industries. Unemployment, for example, is cluttered with private providers of job seeker ‘activation’ schemes pursuing profit. The unemployed are often ‘managed’ by practitioners and demonised by public narratives which blame them for failing to acquire jobs that do not exist (Mitchell 2015: np). In this context, the dominant practice becomes case management, which includes protecting the orchestrated scarcity of organisational resources, ensuring that people don’t become ‘too dependent’ or access ‘more than their fair share’. This surveying and policing of individual welfare recipients as “cases” effectively marginalises the broader issues of inequality and poverty (Marston and McDonald 2008: 262).

Unfortunately, strong currents in social work education, abet the neoliberal agenda by renewed emphasis on psychological therapies and managerial skills, at the expense of social science curricula on inequality (Morley 2016: 40-43). This deprives graduates of vital knowledge regarding the socio-economic structures impacting service-users’ life-problems. Consequently and unsurprisingly, many social work graduates can demonstrate ‘attitudes that could be considered ambivalent, confused, and at the extreme, hostile to service users living in poverty’ (Parrott 2014: 5; see also Agillian et al. 2016: 7).
Despite this, social work and the human services continue to occupy a vital, if contested, terrain in responding to equitable distribution of social resources.

**Critical Social Work**

Critical social work approaches claim not only to relieve individual suffering, but also to participate in changing unjust and oppressive structures that give rise to it. Critical practitioners do not act alone but collaboratively as part of broader, ‘non-professional’ networks and alliances within and beyond the welfare sector, with their fellow citizens, service users and constituent communities. Critical social work in Australia contests economic inequality through its promotion of (1) critical social analyses, (2) critical education, (3) consciousness raising and critical reflection and (4) practitioner activism for social justice.

**Critical social analyses of inequality**

At the heart of critical and anti-oppressive approaches to social work since the 1970s has been critical social analysis, linking privately experienced problems to wider societal structures, in all fields of practice. Originally, this was inspired by the critical theory of Karl Marx, exposing the ways that global capitalism enables powerful groups (a ruling-ownership class) to exploit labour and control others (workers and the unemployed) to their advantage (Parrott 2014: 33), generating economic inequality. Subsequent feminist and anti-racist theories extended such analyses into the way inequalities are gendered and racialised. Critical postmodern theories (Fook 2016: 12-16) recognise multiple bases of oppression without, contrary to some fears on the Left, abandoning a discourse of social justice. All of these perspectives are utilised by critical social workers to expose inequality-generating policies and practices. More recently, with the ascendency of neoliberal discourse, new critiques are enriching critical social work discourse. The analyses of the economists, Thomas Piketty and Guy Standing, are particularly instructive in our current context.

Thomas Piketty’s best-selling *Capital in the Twenty-First Century*, has focused attention on the increasing wealth concentration of the upper one per cent, which he argues is due to capital returns outstripping productivity and wages (economic growth) in a way that has not since the nineteenth century (2014: 571). According to Piketty, this is the fundamental, inequality-generating contradiction of capitalism, which can only be corrected by strong regulation and universal progressive taxation on wealth. Another aspect of his work shows how current wage inequality is exacerbated by excessive executive payments, while the remainder of the workforce are increasingly made insecure or casualised.

Guy Standing (2014: 1) refers to this emerging group of insecure workers and the unemployed as a ‘global “precariat,” consisting of many millions around the world without an anchor of stability’. A key feature of the ‘precariat’, according to Standing (2014: 11) is not just low income, or precarious work, ‘but the lack of community support in times of need, lack of assured enterprise or state benefits, and lack of private benefits to supplement money earnings’. Standing also believes that the precariat will engender a new form of politics, one that leads to a new understanding of value beyond the capitalist market but also advocates for a universal basic income. Social work and human service educators and activists are adopting these analyses, as for example in the Basic Income Guarantee Australia (BIGA) research site at the Queensland University of Technology, promoting resources for income security and the elimination of poverty (BIGA 2013; Mays et al. 2016).

**Critical education on inequality**

Critical social work has always had a strong pedagogic function, both in the education of practitioners and in community education regarding many social issues, including inequality and poverty. There are clusters of critical social work researchers, educators and courses in a number of progressive university programs that further this sort of pedagogy. An online audit of publically available unit outlines shows around half the social work programs throughout Australia retain subjects like sociology, political economy, social policy, progressive community work, human rights, indigenous and gender studies, all addressing inequality. This is bolstered by the research activities of a handful of social work, human service and social policy scholars who investigate economic inequality, its impacts and possible policy responses (ACOSS 2015; Baines and McBride 2014; Goldberg 2012; Habibis and Walter, 2015; Hosken 2016; Krumers-Nevo et al. 2009; Marston et al. 2013; Mays et al. 2016). Unfortunately, this knowledge base is under threat by moves towards a managerial and individually therapeutic-based curricula. However, progressively-oriented social work programs have also provided havens for critical social knowledge, when universities close or limit their social science offerings in pursuit of more profitable programs.

Some critical social work educators like Stuart Rees in co-founding the Sydney Peace Foundation, John Tomlinson in co-founding BIGA, Tony Vinzons in heading public inquiries on educational and rural disadvantage, and Maggie Walter’s development of critical-Indigenous measures for the Closing the Gap campaign, have also played significant roles as public intellectuals in challenging inequality.

Social work educators, like other social scientists, bring knowledge of wealth and income inequality into the
classroom and sometimes reach wider publics. Unlike sociologists or economists though, critical practitioners also bring this awareness into direct conversation and practice with other professionals and those most adversely affected by inequality.

Consciousness raising and critical reflection

Most critical practitioners do not head public inquiries or research centres on inequality. They are involved in the daily lives of those who struggle for resources and recognition, often working in relief, advocacy or referral services. Their critical analysis and education is tested here in feeding the hungry, housing the homeless and helping those without money access funds, while also addressing the wider causes (O’Brien 2011: 149). It also enables them to see their service or program as part of a broader struggle that can either increase or reduce the problems of wealth and income inequality. Consequently, some will join networks agitating for change, contribute to a blog site, develop workplace bulletins assessing the impact of government policy on vulnerable people, organise anti-poverty activities, assist research efforts and attempt to influence social policy processes. More immediately though, critical practice (whether in casework or community development) means engaging with constituents in a way that does not reinforce victim-blaming stereotypes in a systemically unequal world.

An important element of critical practice has been referred to as ‘consciousness raising’ (Mullaly 2010: 237-40), challenging the dominant construction of poverty as resulting from individual failure, which is often internalised, and offering an alternative framing that includes the context of inequality. As Parrott (2014: 33) states,

... being able to explain a service user’s position as not being a consequence of deficient cultural attitudes or as a result of individual failure requires an understanding of the structural reasons for poverty... This means that these ideas should be translated at the individual level as service users may blame themselves for their poverty and social workers [who lack a structural analysis and compassion] may in turn blame services users.

This reframing process may result in a greater sense of agency for the service-user both personally and perhaps as part of a collective response to oppression (Pease 2000: 146-147). Ideally, the reframing is achieved through mutual dialogue but given disparities in power and knowledge, there is always the risk of the practitioner adopting an ‘expert’ role. A strategy utilised by many progressive practitioners to maintain alignment of their practice with their espoused emancipatory goals is critical self-reflection (Morley 2014: 178).

This recognises that even the most informed analysis of inequality is mediated by the practitioner’s own social position and constructions, which in turn are shaped by a variety of discourses. Critical reflection encourages practitioners to constantly interrogate these in their own practice, reconstructing possibilities for action (Fook 2016: 127). New research demonstrates the promise of critically reflective practices in enabling practitioners to be more effective agents of change (Morley 2014: 169-178).

Practitioner activism

In theory, social work associations ascribe a central place to activism for social justice in their various codes of ethics and mission statements (Greenslade et al. 2014: 423) but in practice, confronting wealth and income inequality is a road less travelled (Reisch and Andrews, 2001:16). However, an activist orientation contesting neoliberal policy is maintained by critical practitioners both in community development settings (Ife 2016: 36, 215) and service providing institutions (Greenslade et al. 2014: 427). In the former, this is evident in collective organising for anti-poverty campaigns and even the development of alternative economies through such things as LETS (Local Energy Trading System) schemes. As Ife points out, economic crises expand the informal economy and in the absence of cash, local people will develop their own community currencies (2016: 216) that can play a role in meeting people’s needs. In the Sunshine Coast region, for example, a number of social work graduates (amongst others) are actively involved in the promotion of such schemes.

Inside statutory institutions, under neoliberal management, the scope for activism is much bleaker. While social workers still engage in debating policy, client advocacy, union action, lobbying or join a protest ‘off-duty’, a number also feel compelled to engage in covert acts of resistance to challenge injustice (Greenslade et al. 2014: 7). Greenslade’s research shows this can take the form of creative ‘rule bending’, non-compliance, stretching professional boundaries, over-servicing and breaking the law. She argues that the profession needs to recognise this as part of what constitutes social work in neoliberal times. Gray and Webb suggest that ‘counter-acts of resistance and oppositional tactics against the totality of neoliberal domination’ (2013: 213) are symptomatic of a resurgent ‘New Left’ in social work. The resistance of social workers to austerity measures has not yet assumed the form of a political movement such as those listed by Iain Ferguson in his contribution to this edition, in Britain, Hong Kong, Hungary, Spain, Slovenia and Greece but this is just a matter of time. As we have tried to show, however, the trace elements for the formation of such a movement are present.
Conclusion

In the absence of a major shift in social policy, wealth and income inequality will continue to worsen in Australian society. In many respects the political conversation around this inequality has only just begun. However, the social and political redress of this problem is an urgent priority for any social work that makes claims to being emancipatory. Critical analysis and pedagogy, public education, conscientisation and critical reflection, and practitioner activism within community-based and institutional service settings are key ways in which anti-oppressive social work is engaging with this issue in pursuit of a more just society.

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End Notes


2. The Australian unemployment benefit for a single person (with no children) is AU$263.80 per week at 12/09/16.

3. The Gini Coefficient is the main statistical measure used to plot inequality by measuring the ratio between the top and bottom brackets (Deciles or Quintiles) of income/wealth within a population. Australia’s Gini stands around 0.33, above the OECD (2014) average of 0.31.

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