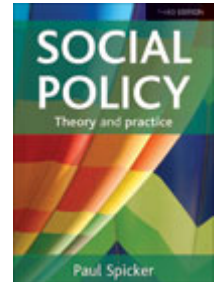


An introduction to Social Policy

Paul Spicker

Social Administration



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Voluntary sector Mutual aid Informal sector

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Social Policy is an **applied subject**; it was developed to **meet the needs of people** who would be working in the public services. Social administration is the area of the field concerned with the **practicalities of service organisation and delivery**. In the US, it is dealt with as 'public policy' or 'policy analysis'.

Welfare pluralism: the mixed economy of welfare

For some, the idea of the '**welfare state**' means the same as 'state welfare', and opposition is seen as a commitment to the 'private market'. This is a false choice. The state is not the only provider of welfare in any country, and the 'private market' does not consist of activity for profit, but a wide range of different motivations. There is a '**mixed economy of welfare**'. The state does not operate in isolation; rather, it acts in conjunction with a number of **non-statutory organisations**. The state is actively involved in regulation, finance or subsidy, and direct provision. (The role of government in the mix is considered further in the page on [politics](#).)

There are five main sectors:

- **public sector** (provision by the state),
- **private** (provision for profit by commercial organisations or individuals),
- **voluntary** (provision on a non-profit basis),
- **mutual aid** (provision by solidarity) and
- **informal** (provision by friends, neighbours and families).

The public sector

There are four main arguments for public sector provision.

- *Universal standards.* The state is uniquely able to impose a general régime, and so can ensure uniform or minimum standards.
- *Social control.* Control is used where people need protection (e.g. child abuse), as punishment (like prisoners), and where control increases freedom (like compulsory education).
- *Economic benefit* The state may be able to perform the action more cost-effectively than is the case elsewhere. National health systems have proved to be cheaper than many liberal systems.
- *Residual provision.* The state may act as a safety net where other sectors do not provide.

The main arguments against are

- *Economic efficiency.* State provision does not have clear incentives to reduce unit costs.
- *Clientelism.* State provision can be the source of patronage or corruption.
- *Paternalism.* States make decisions for people who could choose for themselves.

Markets

Economic **liberals** argue that the private market is the best method of arranging the distribution of resources. Arthur Seldon argues that the price mechanism leads to

- choice for the consumer
- a service led by the consumer rather than by the professions
- more efficient services at lower costs (because this increases profitability)
- responsiveness to need (because their payment depends on it)
- education of people as to the implications of their choices.[1]

If poor people cannot afford services, we can give them the money to decide for themselves - as we do with food and clothing; there does not have to be a publicly provided service.

The main arguments against this position are:

- **Market failure.** Markets do not work if people do not have choice (e.g. in health care), where there are monopolies, and if people do not bear the costs of their actions themselves.
- **Exclusion.** Markets exclude 'bad risks' and people with extreme needs.
- **Social preference.** Markets respond to individual preferences; social needs may be different.

Beyond market failure, there is a simple problem with market provision. Markets give choices to producers as well as consumers. At the margins, there will always be some services that offer a lower rate of return, where something will not be provided, or services will not be offered. In any market, some things will not be done.

Private sector provision

It does not follow, because private firms work for profit, that they only work through the operation of the economic market. They also engage in the provision of welfare, including involvement in social policy, service delivery and redistributive welfare. The most common forms of involvement include:

- occupational welfare, the provision of services to employees and ex-employees. Examples include health provision for employees and occupational pensions.
- delegated welfare activity, where the private sector acts as the agent of government. In several countries, private firms also collect taxes on behalf of government.
- engagement in policy-making and processes of government, for example by participating in strategic partnerships or corporatist arrangements for welfare provision; and
- corporate social responsibility, where private firms act to improve welfare in the wider society. This includes both philanthropic activity and compensation for external costs imposed by firms, such as cleaning up pollution.

Mutual aid

Mutual aid is sometimes represented as private, and sometimes as voluntary. There is a good case to consider this category as a sector in itself, because the organisation and behaviour of solidaristic groups is quite different from that of other non-profit organisations. Historically, mutual aid was one of the main foundations of welfare organisations, through trades unions, professional associations and friendly societies; in many countries, solidaristic services of this kind have continued to be one of the main focuses through which welfare is provided.

The central principle of mutual aid has been voluntary collective effort, which is both self-interested and supportive of others. People who enter such arrangements make some kind of contribution - such as paying a subscription, offering labour, or participating in management - and receive support on a mutual basis. The most common model is probably a system of voluntary insurance, usually for income maintenance or health care, which offers social protection in return for a basic contribution. But there are many other examples, including co-operatives, self-help groups, and the trades unions themselves.

The scope of mutual aid is considerable, but solidarity cannot be comprehensive: some people have a limited ability to contribute, and others are likely to be excluded by the conditions of membership.

The voluntary sector

The voluntary sector is extremely diverse, ranging from small local societies to large, very 'professional' agencies. Jones, Brown and Bradshaw classify the different types of volunteering as follows:

- direct service giving
- running voluntary organisations
- participation or self-help groups
- fundraising
- public service (many elected officials are unpaid volunteers)
- pressure group activity. [2]

The role of the voluntary sector is often supplementary to statutory services, but it can also be seen as complementary through:

- the initiation of new approaches and techniques

- the development of specialist expertise
- the establishment of 'partnerships' with statutory services - like the provision of meals on wheels
- provision to groups which statutory services do not reach, like drug addicts.

The informal sector

The 'informal sector' consists of communities, friends, neighbours and kin. The emphasis on informal care has grown for three reasons:

- **Ideology.** Conservatives have emphasised the pluralistic nature of welfare, and an 'organic view' of society as a series of interconnecting relationships, and the role of family and duty.
- **The emphasis on community care.** The discharge of people from institutions, and maintenance of individuals at home, has led to a greater emphasis on the role of carers.
- **Comprehensive planning.** Most care is provided by informal carers, not the state; the role of the state is supplementary to the care given by others. Planning has to take this into account.

This approach has led to a range of criticisms.

- **Feminist writers have criticised** the burden imposed on **women**. [3] Most care of this type occurs within families, and in practice the burden falls substantially on women within families.
- The economic costs to carers are underestimated because they are not charged.
- The social costs to carers also need to be considered.
- Service to dependent individuals is often unexamined. Carers may be well-meaning, but they will not necessarily offer the best care.

The public services

The public services are not directly equivalent to the "public sector". The public sector generally refers to organisations which are controlled directly by government. This can include services to the public, nationalised industries and the organs of government itself. The public services include state, voluntary and mutual organisations which have public objectives. They have four main characteristics:

- they are services, **offering facilities directly to people** (not just to organisations);
- they are public, in the sense that they are **guided by policy**;
- they are **redistributive**, because the people who pay are not the people who benefit; and
- they are **operated as a trust**: the first duty of a trustee is to the body establishing the trust (government or funders), and the duty to beneficiaries is secondary.[4]

Because the primary duty is based in policy, public services have to be cost-effective; most do not have the option of selecting beneficiaries.

External link: [The nature of a public service](#)

The structure of public services

The structure of services varies with government structure, history, and service development; many developed economies have a complex hotch-potch of agencies, schemes and

programmes. Billis outlines a scheme which helps to view the pattern systematically. He describes five levels, or 'strata', of service provision. They are:

5: **Comprehensive field coverage** This is the level of policy-making and planning, creating a framework of services to meet a range of needs. This level is sometimes missing where coverage is done through programmes and ad hoc services rather than by government.

4: **Comprehensive service provision** This is the organisation and direction of a service or programme, like a housing department or social services department. There is a broad territorial focus, and specific responses are not prescribed.

3: **Systematic service provision** This is a responsibility for performing particular functions within a service. Examples are schools, residential care homes or the units within a hospital.

2: **Dealing with problems as situations** This is generally the level at which professionals work; the test is that the professional is able to define the problem and the response. Doctors, social workers, health visitors, area housing managers and police officers work at this level.

1: **Dealing with problems as demands**. This is a reactive approach, where service is provided in response to a specific demand; the response made is prescribed for the person who makes it. Receptionists or social security clerical officers are examples. [5]

Social service management

There are two traditional models of administration: professionalism and bureaucracy. In later years there has been increasing emphasis on a different approach, that of 'management'; this has more recently focused on 'leadership'.

	Professionals	Managers	Bureaucrats
Expertise	Specialised competence	Leadership; administrative management	Functionally differentiated administrative tasks
Motivation	Professional commitment	Personal incentives	Public service
Accountability	Professional standards	Performance criteria	Responsibility to superiors
Decision-making	Discretion	Quasi-autonomous	Rule based

External links: [Weber on bureaucracy](#); [Paul Spicker criticises the idea of 'leadership'](#)

The 'New Public Management'

The New Public Management (NPM) was an attempt to make public services **operate more like businesses**. It had three principal elements:

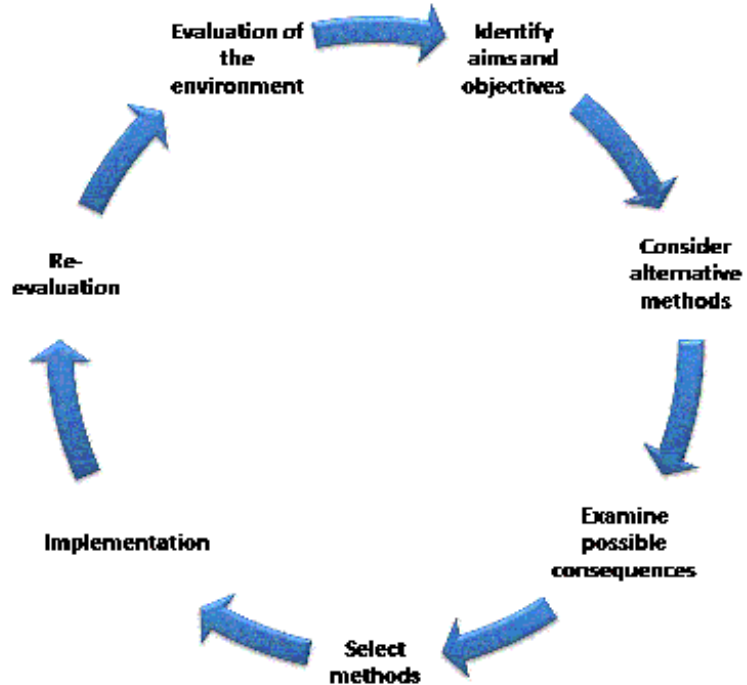
- **Agencies**. NPM attempted to separate out each aspect of administration, rather than treating an operation as a whole. **Units of operation became 'agencies'**, in the belief that

this would enhance their efficacy and accountability. Contracts replaced directives. Some agencies became independent or privatised, others were treated as quasi-autonomous (Quangos).

- **Management.** 'Management' replaced 'administration'. The skills of running an organisation did not depend on expertise in the field of activity but on generic skills of leadership.
- **Quasi-markets.** If services could not be privatised, they could be made more like the market, by introducing competition between providers, financial mechanisms and pricing, and distributing budgets to multiple purchasers.

Planning

Policy has to be put into practice. Service planning is a process of making implementation explicit. This is usually represented as either an 'incremental' or a 'rational-comprehensive' process. Incremental plans are based on what has gone before. The 'rational' model has seven stages:



- *Evaluation of the environment.* Decisions have to be taken in the light of existing situations.
- The identification of *aims and objectives*. Criteria have to be established by which decisions can subsequently be evaluated.
- Consideration of the alternative *methods* which are available.
- Examination of the *consequences*. Possible consequences are judged against the aims and objectives in order to decide their likely effect.
- *Selection of methods*. The choice of methods is guided by consideration of efficiency and practical constraints.
- *Implementation*. There has to be a plan for how and when things will be done, and who will do them.
- *Re-evaluation*. The consequences of policy are monitored, and fed back into a re-assessment of the environment - at which point the process begins again.

The rational-comprehensive model asks for too much detail to be practical, but at least it helps to make things explicit. A minimally adequate plan needs a statement of aims, selection of methods, and an action plan covering implementation and criteria for evaluation.

View an image from the University of Kent
Centre for the Study of Cartoon and
Caricature:

[Shelter for the homeless \(a house made of paper\)](#)

(Cartoon by David Low, 1940)

Public finance

The sources of finance for public services are hugely varied: they include, for example, tax, levies, borrowing, charges, commercial profits, public subscription, sales of licences, voluntary donation, labour conscription and lottery funding. As a counterbalance, public services also tend to be limited by special rules which do not apply to private firms. For example, in order to avoid distortions in the operation of the independent sector, the public services may not be allowed to diversify activities or their financial base. In the interests of economic management, public services are not always allowed to 'vire' - to transfer money across budget heads; this means that they cannot carry losses or unspent funds across financial years, or use money allocated for one purpose for another.

Public expenditure commitments tend to be inflexible. This happens in part because many of the beneficiaries of public expenditure, like pensioners, have established entitlements, but also because macro-economic management calls for a degree of stability in overall spending patterns. Adjustments to budgets have to be made incrementally. Public sector budgeting is usually divided between revenue and capital expenditure.

- **Revenue expenditure** deals with regular and recurring spending. This may be managed by a programme budget, which is based on total expenditure for a programme or category (for example, expenditure on 'social security' or 'old people') . Over- or under-spending has consequences for other services within the same expenditure category. Alternatively, there may be a budget for an agency, or a part or an agency: the basic unit is a 'cost centre', which records the budget of each part of a service in its own right.
- **Capital expenditure** is more problematic. It is mainly used for consumption by government - the purpose of capital finance is to buy something. However, because government finance is usually geared to annual revenue, as part of economic management, capital expenditure has to be converted into manageable chunks, or 'tranches'. In large-scale capital projects, resources are budgeted for in instalments until the project is finished. This has often been associated with serious failures of control.

Evaluating policy

Effectiveness The most basic form of evaluation of policy is to ask whether it meets its objectives. A policy is effective if it meets its aims. It is 'cost-effective' if it meets its aims at the lowest cost possible.

Efficiency Efficiency is an economic concept, which should be distinguished clearly from effectiveness. A process is efficient if it produces goods at the lowest possible cost per unit. Achieving every aim may be inefficient, because some aims are more expensive and difficult than others, and because when agencies are straining to meet targets costs are likely to rise. Public services often have no choice about meeting certain aims - for example, keeping destitute people alive, or ensuring that long-term nursing care is available for frail elderly people - and they tend to aim for cost effectiveness rather than efficiency.

Equity The principle of 'equity' or fairness is an important issue in service delivery. Equity means that like cases are treated alike. Procedural fairness is concerned with procedures, like non-discrimination; substantive fairness with outcomes. Le Grand points to several different measures:

- public expenditure - whether people have different amounts of money spent on them
- final income - whether the amount of money spent has an equivalent effect on the recipients
- use - whether people are able to use the service to an equivalent extent
- cost - whether people suffer equivalent costs as a result of their problems; and
- outcome - whether people finish in equivalent positions. [6]

Usually, there are other implicit criteria, which are only triggered when there are problems: examples are ethical assumptions, financial constraints, or political support.

Service delivery

Targeting

Social policies have to affect someone, and any attempt to identify a client group specifically can be referred to as 'targeting'. Policies may be focused on a range of different groups: individuals, households, families, communities, and sections of the population. Distribution to everyone is exceptional - most 'universal' benefits are, in fact, categorical, and targeted at a broad class of people in need (like children or old people) as a way of addressing needs within the group.

Three main problems affect the efficiency of targeted services.

- *deadweight*. People receive the service or benefit, but their circumstances are not materially affected by the measure.
- *spillovers*. People are helped who it was not intended or necessary to help.
- *low takeup*. There is failure to reach those at whom the policy was targeted.

Targeting is sometimes confused with [selectivity](#) (services which are confined to the poor, or people in need); this has further problems associated with testing and exclusion. Some degree of targeting is unavoidable, and the main issue raised in practice is how to overcome these problems.

Rationing

In the private sector, demand and supply are governed by the price mechanism. Higher prices mean more supply and less demand. In the public services, demand and supply may have to be rationed.

Supply can be limited through

- *denial*, through restricted access and eligibility rules. A lottery is a random, selective form of denial.
- *delay* (including waiting lists)
- *filtering and deflection* (e.g. medical referrals)
- *dilution* - giving people less service.

Demand can be limited through

- eligibility qualifications
- increasing costs to consumers - for example, through charges; or
- deterrence.

Discretion

Officials have to make judgments in order to apply any general rule to a specific case. They are said to have 'discretion' when they are allowed to make decisions about the rules themselves. The exercise of judgment is not the same as discretion; discretion is necessary

when there are no established rules to guide judgment. "Discretionary rules", which sound at first like a contradiction in terms, are rules which are developed to fill administrative gaps.

In some agencies, discretion will be exercised by the worker who is closest to the issue. Professional staff (like doctors and social workers) are given the scope to use discretion, making their own rules and methods of working according to general principles. In other agencies, discretion may be exercised by the managers of the agency; rules on 'management practice' may develop because there is no clear policy guidance. Discretionary rules and established practice can also develop because of workers' experience at the operational level. Lipsky calls this process 'street level bureaucracy' [7]; it is mainly found in the 'common sense' of office practice, though it can also feed back into organizational rules.

Discretion in social services is sometimes thought to drive out users' rights; if an official has the right to decide, the user does not. **Rights** are rather more complex, however; 'rights' in social security are not very strong even when the discretion of officers is limited, while the considerable discretion which doctors have has not undermined the view that their patients have rights.

Co-production

Services, whether they are public or private, are not like the production of a commodity; they depend on the presence, and to some extent the engagement, of the service user. Osborne and his colleagues argue that all services are 'co-produced'. [8] This is most clearly the case in social care, where the role of formal services may be marginal, but it is no less true of education, health care, social work and employment support. In every case, the delivery of services depends on a relationship between the service and the service user.

Boyle and Harris define co-production as "delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours." [9] The language of co-production has been described as part of a "shifting policy mindset", which emphasises user-defined outcomes, capacity building and an active role for service users. [10] There have been powerful objections to the tendency of services to do things to people, rather than engaging with them as co-producers. Alternative approaches have taken the form of these have taken the form of rights-based delivery, user participation, choice-based systems and 'personalised' services.

Empowering users

The idea of 'empowerment' can be taken individually, to refer to the ability of each user to affect outcomes, or collectively, to refer to the status of disadvantaged and stigmatised groups. Its growing importance reflects long-standing concerns that social services may disempower the people who use them.

Deakin and Wright propose six tests for responsiveness to users.

- *Accountability.* There has to be some way services can be made to answer to service users for their decisions.
- *Representation and participation.* Participation in decision making implies not only that the views of consumers are expressed, but also that their views carry some weight. This is often represented in terms of a 'voice' for consumers.
- *Information.* Lack of information denies users the opportunity for comment or control.
- *Access.* Inaccessibility denies people the opportunity to use the service.
- *Choice.* A lack of options means in itself that users are unable to control outcomes. The possibility of 'exit', or ceasing to use the service, is also important.

- **Redress.** Obtaining redress of grievances, and even having concerns addressed, is important to limit the use of control by agencies as well as to give users the formal opportunity to raise concerns. [11]

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Cite this page as:

Spicker, P (2020), *Social Administration, An introduction to Social Policy*,
<http://spicker.uk/social-policy/socadmin.htm>,
 obtained on 01 January 2020.

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This file was last updated on 16 May 2019.