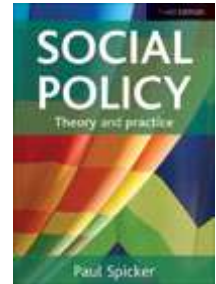


# An introduction to Social Policy

**Paul Spicker**

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## Social Policy



**Social Policy** Social Policy and Administration

**Welfare** The 'welfare state' Arguments for welfare Arguments against welfare

**Who is welfare for?** The right to welfare | Universality and selectivity  
Models of welfare

**The economics of the welfare state** Paying for welfare The welfare state and economic performance The "crisis" of welfare

**An introduction to Social Policy** Menu Contents A-Z of topics

The name of 'social policy' is used to refer to the policies which governments use for welfare and social protection, to the ways in which welfare is developed in a society, and to the academic study of the subject.

In the first sense, social policy is particularly concerned with social services and the welfare state. In the second, broader sense, it stands for a range of issues extending far beyond the actions of government - the means by which welfare is promoted, and the social and economic conditions which shape the development of welfare.

## Social Policy and Administration

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Social Policy and Administration is an academic subject concerned with the study of social services and the welfare state. It developed in the early part of the 20th century as a complement to social work studies, aimed at people who would be professionally involved in the administration of welfare. In the course of the last forty years, the range and breadth of the subject has developed. The principal areas relate to

- policy and administrative practice in social services, including health administration, social security, education, employment services, community care and housing management;
- social problems, including crime, disability, unemployment, mental health, learning disability, and old age;
- issues relating to social disadvantage, including race, gender and poverty; and
- the range of collective social responses to these conditions.

Social Policy is a subject area, not a discipline; it borrows from other social science disciplines in order to develop study in the area. The contributory disciplines include sociology, social work, psychology, economics, political science, management, history, philosophy and law.

External links: [Jonathan Bradshaw](#), [Pete Alcock](#), [Nick Ellison](#) and [Hartley Dean](#) talk about the nature of social policy.

## Welfare

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Welfare is an ambiguous term, used in three main senses:

- Welfare commonly refers to '[well-being](#)'. In welfare economics, welfare is understood in terms of 'utility'; people's well-being or interests consist of the things they choose to have.
- Welfare also refers to the range of services which are provided to protect people in a number of conditions, including childhood, sickness and old age. The idea of the 'welfare state' is an example. This is equivalent to the term 'social protection' in the European Union.
- In the United States, welfare refers specifically to financial assistance to poor people (e.g. Temporary Aid to Needy Families). This usage is not generally reflected elsewhere, but it has been adopted by politicians in the UK in recent years.

Welfare is often associated with [needs](#), but it goes beyond what people need; to achieve well being, people must have choices, and the scope to choose personal goals and ambitions.

### The 'welfare state'

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The idea of the welfare state means different things in different countries.

- *An ideal model.* The "welfare state" often refers to an ideal model of provision, where the state accepts responsibility for the provision of comprehensive and universal welfare for its citizens.
- *State welfare.* Some commentators use it to mean nothing more than "welfare provided by the state". This is the main use in the USA.
- *Social protection.* In many "welfare states", notably those in Western Europe and Scandinavia, social protection is not delivered only by the state, but by a combination of government, independent, voluntary, and autonomous public services. The "welfare state" in these countries is then a system of social protection rather than a scheme operated by government.

The most prevalent model in much of Europe is probably the third, strongly identified with the idea of [solidarity](#) and mutual aid. (1) It follows that the entries on the 'welfare state' in the Encyclopaedia Britannica or Wikipedia are misleading; they assume that the welfare state is "a concept of government" and that government pays for welfare. Neither is necessarily true.

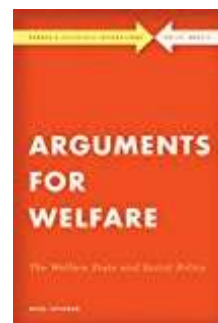
*This section repeats some definitions from another page of this website, which looks at models of welfare provision in several countries. If you would like to read more about the welfare state in an international context, you should go to the page on [welfare states](#).*

### Arguments for welfare

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The basic arguments for collective provision are

- *humanitarian*. Concerns about poverty and need have been central to many developments.
- *religious*. Several of the world's major religions make charity a religious duty. Beyond charity, Catholicism recognises a duty of social *solidarity* (or mutual social responsibility); Judaism, Islam and Lutheran Christianity require collective responsibility for one's community.
- *mutual self-interest*. Many welfare systems have developed, not from state activity, but from a combination of mutualist activities, gradually reinforced by government.
- *democratic*. Social protection has developed in tandem with democratic rights.
- *practical*. Welfare provision has economic and social benefits. Countries with more extensive systems of social protection tend to be richer and have less poverty. (The main difficulty of evaluating this is knowing which comes first, wealth or welfare.)



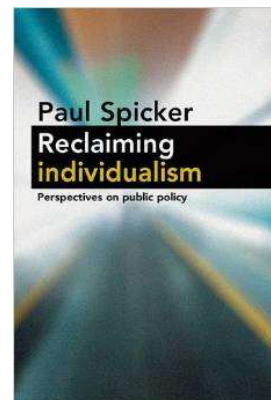
There is scarcely a government in the world that does not recognise the force of these arguments and make some form of collective social provision. The real disputes are not about whether welfare should exist, but about how much provision there should be, and how it should be done.

External link. [Paul Spicker: Arguments for Welfare \(sample chapter\)](#)

## Arguments against welfare

The main objections to the provision of welfare come from the '*radical right*'. They are against welfare in principle, on the basis that it violates people's freedom. Redistribution is theft; taxation is forced labour. (2) These arguments rest on some questionable assumptions:

- *People have absolute rights to use property as they wish*. People in a society are interdependent, and the production of property depends on social arrangements. Rights to property are conventional. Liability to taxation is part of the conventions.
- *People do not consent to welfare provision; redistributive arrangements are based in compulsion*. This is not necessarily true. Several countries have developed welfare systems, in whole or in part, on a voluntary, mutualist basis - Denmark, Finland and [Sweden](#) have moved to compulsion only recently.
- *The rights of the individual are paramount*. Property rights are certainly important, but few people would argue that property rights are more important than every other moral value. If one person owns all the food in a region while everybody else is starving, do the others have no moral claim on it?



The radical right also claim that the welfare state has undesirable effects in practice. *Economically*, it can be argued that economic development is more important for welfare than social provision. Dollar and Kraay, for the World Bank, have argued that property rights and a market economy are essential for growth and so for the protection of the poor. (3) It would not follow that welfare is unimportant. The other main argument is that the welfare state undermines economic performance. This position, reviewed later in the section on [the economics of welfare states](#), is not consistent with the evidence.

In *social* terms, the welfare state is accused of fostering dependency and trapping people in [poverty](#). (4) Evidence on the dynamics of poverty shows that poverty and dependency are not long-term, but affect people at different stages in the life cycle; the population of welfare claimants is constantly changing. For most people in developed countries, poverty is transitory. (5) Where poor people are separated and excluded by welfare, this is mainly the product of the kinds of restricted, [residual](#) system the radical right has been arguing for.

External link. [Video: Milton Friedman criticises the USA's 'welfare state'](#)

## Who is welfare for?

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This question can be answered in many ways. Welfare might be seen as being for people who are poor or in need; it might be a form of social protection; it might be the right of every citizen. There are many possible models: here are four of them.

- *Residual welfare* Welfare provision is often seen as being for the poor. This was the dominant model in English-speaking countries; the English [Poor Law](#) (1601-1948) was exported to many other countries. This has been taken as the model of a residual system of welfare, in which welfare is a safety net, confined to those who are unable to manage otherwise.
- *Solidarity* Welfare in much of Europe is based on the principle of solidarity, or mutual responsibility. The responsibilities which people have to each other depend on their relationships; people in society are part of solidaristic social networks. Many of the rights which people have are particular, rather than general - they depend on a person's circumstances, work record or family relationships, not on general rights protected by the state. Those who are not part of such networks are said to be 'excluded'.
- *Institutional welfare* An institutional system is one in which need is accepted as a normal part of social life. Welfare is provided for the population as a whole, in the same way as public services like roads or schools might be. In an institutional system, welfare is not just for the poor: it is for everyone.
- *Industrial achievement/performance* Welfare has often been seen as productivist, or a 'handmaiden' to the economy. It helps employers, by preparing and servicing the capacity of the workforce, and it acts as an economic regulator, stimulating demand when production is low. More recent analyses have emphasised the role of welfare as a 'social investment'. The European Commission explains:

‘social investment is about investing in people. It means policies designed to strengthen people’s skills and capacities, and to support them to participate fully in employment and social life. Key policy areas include education, quality childcare, healthcare, training, job search assistance and rehabilitation.’ [6]

Further material: [Values in social policy](#)

## The right to welfare

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Although the receipt of welfare is often framed in terms of rights, rights mean different things in different places.

- *Human rights* are rights for everyone, regardless of status or nationality. The Universal Declaration of Human Rights guarantees rights to social security [7], and the United

Nations has come to accept that extreme poverty is in itself a breach of human rights. [8]

- The *rights of citizenship* are available to people in specific countries on the basis that they are accepted as members of a political community. Marshall describes citizenship as 'a status bestowed on those who are full members of a community. All those who possess the status are equal with respect to the rights and duties with which the status is endowed.' [9] The rights of citizenship are general rights, typically including rights to social protection, health care and access to justice, but they may be denied to non-citizens and migrants.
- *Particular rights* are rights that are specific to the people who hold them - such as the rights held by people who are parties to a contract. Many of the most important rights to welfare are personal and particular rather than based on citizenship: examples are pensions and rights relating to housing.

There are welfare regimes which offer a degree of solidarity to citizens, but they do not necessarily guarantee individual rights to support. In Turkey, government-funded social assistance is administered by autonomous charities on a discretionary basis.[10]

## **Universality and selectivity**

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Universal benefits and services are benefits available to everyone as a right, or at least to whole categories of people (like 'old people' or 'children'). Selective benefits and services are reserved for people in need. The arguments refer to the same issues as 'institutional' and 'residual' welfare, but there is an important difference. Institutional and residual welfare are principles: universality and selectivity are methods. A residual system might use a universal service where appropriate (e.g. a residual system of health care might be associated with universal public health); an institutional system needs some selective benefits to ensure that needs are met.

Universal services can reach everyone on the same terms. This is the argument for public services, like roads and sewers: it was extended in the 1940s to education and health services. The main objection to universal services is their cost - but in the poorest countries, universal services like Essential Health Care Packages have been used to hold down costs strictly. Selectivity is often presented as being more efficient: less money is spent to better effect. There are problems with selective services, however: because recipients have to be identified, the services can be administratively complex and expensive to run, and there are often boundary problems caused by trying to include some people while excluding others. Selective services sometimes fail to reach people in need.

[Paul Spicker talks to the BBC's 'Good Morning Scotland' about universal benefits](#) (MP3 file, 6.3Mb; reproduced by permission)  
[World Health Organization: Essential health care packages](#)

## **Models of welfare**

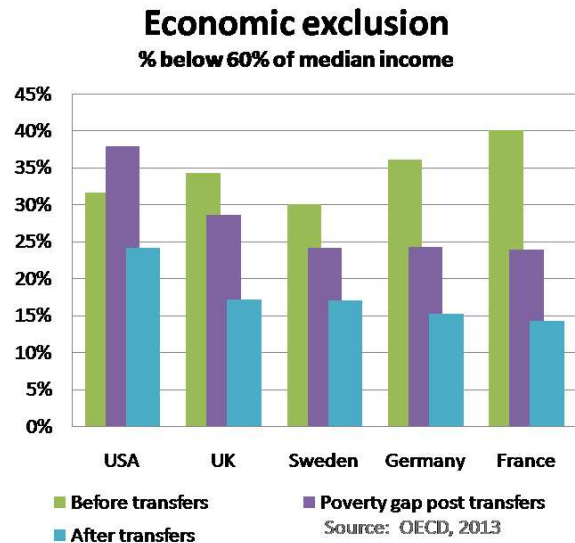
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Esping-Andersen has described three main types of welfare régime:

- *corporatist* régimes are work-oriented and based on individual contribution.
- *social democratic* régimes favour universalist values.
- *liberal* régimes tend to be residualist. [11]



The grouping of particular countries tends to be unreliable, but the classification may help to understand some of the main patterns of provision. This table shows rates of economic exclusion in five countries. The blue bars at the front show the proportions of poor people; the red bars the "poverty gap", how far those remaining fall below minimum standards; and the green bars at the rear the numbers of people before transfers and taxes. Social protection in the UK and [Sweden](#) is [institutional](#), but the UK offers less to poor people, both in the numbers of people brought out of poverty and in poverty reduction. [France](#) is solidaristic, but its performance has still secured coverage as good as the institutional welfare states. The [German](#) system is [work oriented](#): it excludes some people who have not contributed, and it does not extend to those on the highest incomes. The system in the [USA](#) has substantial [residual](#) elements, and social policy is often hostile to the poor. It has fewer people in poverty before transfers than France or Germany, but it fails to bring people out of poverty and the poverty that remains is more severe.



Further material: [Welfare states](#)

## The economics of the welfare state

Social policy is to a large extent dominated by economic policy, because much of it in practice is determined by government, and economic policy determines the amount that government is prepared to spend. There are two main views of public spending: monetarist and Keynesian.

- *Monetarism* is based on a view of the economy as self-stabilising. In times of stringency, it is necessary to reduce spending, on the basis that increased saving will lead to growth later. If the government does not balance its budget, there will be inflation (money will be worth less) and there will be fewer resources available to the private sector for the economy to expand productively.
- *Keynesianism* sees government intervention in the economy as necessary for the stability of the economy. Public spending is an important regulator which can be used to stimulate the economy at a time of a slump or to damp down growth if it happens too quickly. [Unemployment](#) is unnecessarily wasteful. In the long run, Keynes argued, the economy may correct itself; but in the long run, 'we are all dead'. The validity of Keynes' approach was proven by the US New Deal. Keynesianism achieved full employment but was abandoned because it did not address other economic problems, notably inflation and slow growth.



Keynes: "the man who saved capitalism".  
(c) Hulton-Getty collection

In recent years both views have been supplanted by a new financial orthodoxy, which combines government regulation with market-based provision, "targeted" expenditure and balanced budgets.

Further material: [British economic policy](#) | [Pathe Video: 50 years progress \(1960\)](#), celebrating full employment

## **Paying for welfare**

Many public services are provided not by the state, but by combinations of state, independent, mutual and voluntary activity - a '[mixed economy](#)' of welfare. State welfare is often assumed to depend on finance through taxation. However, taxation is supposed to do many things at once: the aims include

- raising revenue for public functions
- repricing - changing the way market signals work (e.g. taxes on tobacco)
- redistribution: in economic terms, 'transfer payments' are not really spending, but moving money between people instead, and have little direct effect on an economy
- changing behaviour (incentives, disincentives and subsidies)
- conveying a moral position (support for families, or religious charities)
- fiscal policy (steering an economy) , and
- solidarity (recognising rights and imposing responsibilities).

The finance of public activity, meanwhile, depends not just on taxation, but on

- contributions (many welfare systems are non-governmental; some are voluntary)
- other voluntary payments (e.g. lotteries, donations)
- nationalisation and sequestration (governments can, and do, claim or confiscate resources)
- charges
- government commercial activity (e.g. profits on government enterprise)
- other government revenue (e.g. returns on investment, or the acquisition, development and sale of resources).

It follows that while welfare services can be paid for by taxation, the terms are not simply equivalent.

Further material: [Public finance](#)

## **The welfare state and economic performance**

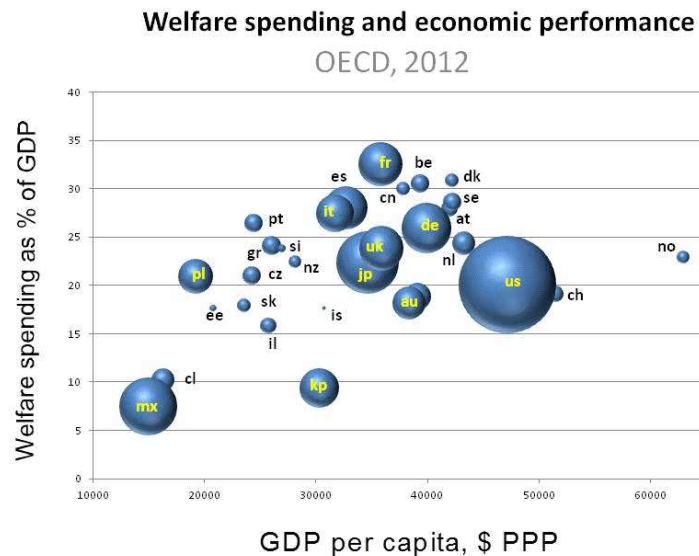
There are competing views of the impact of social welfare on the economy. One view, the '[handmaiden](#)' model, sees welfare as an essential complement to industrial development: social policy helps the economy to grow by serving the workforce, providing services to industry and offering a secure basis for development. This has been the dominant model in [Germany](#) . [Keynesian economics](#) sees spending on welfare as a useful economic regulator, helping to balance the economy in periods of recession. On the other hand, both [neo-liberals](#) and [marxists](#) have represented the welfare state as a major burden on economic performance. Public expenditure is seen as a fetter on economic growth .

There is no consistent evidence to support either view. The relationship of the economy and public spending is complex. Atkinson has brought together evidence from a wide range of

opposing studies. Although developed countries generally spend more on welfare than less developed countries, developed countries with higher welfare spending do not generally do better or worse than developed countries which have less. [12]

The graph showing the relationship between welfare spending and national income (GDP) is drawn from [OECD](#) data. It is possible to give the impression that the relationship is negative or positive, by selectively

excluding some results, but the truth is that it shows no clear pattern. Beyond the OECD - an organisation that covers the main industrialised Western countries - the general trend is that richer countries tend to spend higher proportions of their GDP on social protection.



## The 'crisis' of welfare

The term "crisis" is used fairly indiscriminately by critics of the right and left. From [the perspective of the right](#), welfare is undesirable and economically damaging. To [Marxists](#), welfare is often represented as unsustainable. Neither position is supported consistently by the evidence, but as both positions are held on faith they have been impossible to dislodge.

Pierson points to three main uses of the idea of a "crisis". They are:

- *Crisis as a turning point.* A crisis is a period when long standing problems become particularly severe.
- *Crisis as an external shock.* Examples include war, problems in the international economy or the "oil crisis" of the 1970s.
- *Crisis as a long standing contradiction.* Marxists believe that welfare and capitalism are incompatible, and have been claiming that crises spell doom for a hundred and fifty years. [13]

The Washington Consensus argued for liberalisation of economies and reductions in state involvement in the economy; this led to the imposition of 'structural adjustment'. The arguments for 'austerity' in Europe have followed a similar pattern. This approach has not been prompted by patterns of welfare expenditure.

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### **Guide to the site**

#### **Introduction to Social Policy** Contents A-Z

**Social Policy** Social Policy Social need Poverty Welfare & Society Interpersonal relations  
 Welfare and Equality Welfare States Politics of welfare

**Social Services** Social administration Housing and urban policy Health Social security  
 Education Personal Social Services

**Social policy in the UK** UK Social Policy Development 1601-1948 British social security  
 The NHS Housing Education Personal social services

**Resources** Online resources Blog Paul Spicker - online material Readings in social policy

**The website** About the website Copyright About the author Top of page

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