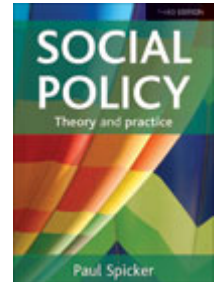


An introduction to Social Policy

Paul Spicker

Welfare states



The welfare state | Comparing welfare states | Historical interpretations of the welfare state |

The welfare states | The United Kingdom | France | Germany | Poland | Sweden | United States | China | India |

International aspects of social policy | The social policy of the European Union | Social policy in developing countries | Globalization and welfare |

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

The welfare state

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.

This section of the website is mainly concerned with the provision of welfare in different countries. If you would like to read more on the idea of the "welfare state", including arguments for and against welfare provision, you should begin with the section on [social policy](#).

Comparing welfare states

Deborah Mitchell [1] identifies five main approaches to the comparison of welfare systems:

- *Comparison of policy*, comparing the explicit terms in which actions are taken. Flora and Heidenheimer review the historical development of welfare in Europe and America. They find that welfare in different countries often develops on similar lines. [2]
- *Comparison of inputs*. Inputs are the resources which go into welfare provision. For example, Wilensky's work on welfare spending shows that the main determinants are the age of the system and the structure of the population. [3]
- *Comparing production*. Different states operate different kinds of rules and structures. Esping-Andersen uses evidence on the organisation and delivery of specific services to define positions adopted by different welfare states. [4]
- *Comparing operations*. This is done by considering the detailed operation of benefits and services - what they do, how they are paid for, and how they work. The [Commonwealth Fund](#) compares health care systems on the basis of access, equity, administrative efficiency, the care process and health outcomes.
- *Comparing outcomes*. The case can be made that what matters about welfare is not what is intended, nor what the process is, but whether or not people benefit from it. This is the basis of the work done by the [Luxembourg Income Study](#) in assessing and comparing social security systems in different countries.

Further material: [Models of welfare](#)

Historical interpretations of the welfare state

Several texts try to generalise about the experience of several countries. Common themes in the historical literature include:

- *Welfare pluralism* - the role of charities, religious organisations, voluntary organisations and mutuals.
- *The experience of development and industrialisation* - for example, the Industrial Revolution, urbanisation and the growth of capitalism.
- *The growing role of government*, including social control, social provision and the welfare states.
- *Democratisation*. Welfare is sometimes seen as a result of political change, including civil rights and the extension of the franchise.
- *The importance of working class movements*. All history, Marx wrote, is the history of class struggle; so Marxist writers have focused on the role of unions, of employers and of social movements.
- *Policy transfer and imitation*. The English Poor Law influenced approaches in many countries (e.g. the US and Australia), although those countries did not have any of the same rules. Bismarckian social insurance, and the Beveridge report, were widely imitated. Currently Conditional Cash Transfers have been adopted in a wide range of countries in the process of development, including e.g. all of Latin America. The representation of welfare in terms of 'periods' or 'eras' depends largely on the idea that governments imitate each other and so tend to do similar things at much the same time.
- *Institutional change*. Many accounts of social policy are based on a series of legislative, political or social actions. No-one starts with a blank slate; policies develop incrementally, on the basis of what has gone before. There may be 'path dependency' - getting stuck in previous grooves. Radical changes, such as the foundation of the Welfare State in 1948, still depend on the resources, buildings, people and practices that are in place.
- *The influence of ideology*. Ideas shape actions: examples are the punitive elements of the Poor Law, the belief in 'laissez-faire' liberalism, the idea of 'solidarity' in Catholic countries, or the 'structural adjustment' forced on developing countries by international organisations.

There is no intrinsic reason why all of these factors should not be true at the same time. However, all generalisations of the kind need to be treated with caution, because despite an extensive literature that groups welfare states into regimes or 'families', the history and experience of every country is different.

Further material: [The development of UK social policy, 1601-1948](#)

The welfare states

The United Kingdom: the Welfare State

Asa Briggs, in a classic essay on the British welfare state, identified three principal elements. These were

- a guarantee of minimum standards, including a minimum income;
- social protection in the event of insecurity; and
- the provision of services at the best level possible. [5]

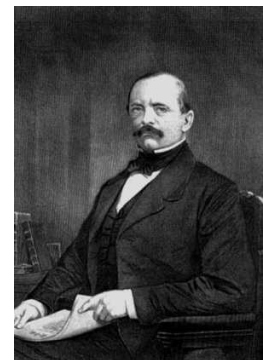
This has become identified, in practice, with the 'institutional' model of welfare: the key elements are social protection, and the provision of welfare services on the basis of right.

In practice, social welfare in the United Kingdom is very different from this ideal. Coverage is extensive, but benefits and services are delivered at a low level. The social protection provided is patchy, and services are tightly rationed.

Further material: [Social Policy in the UK](#)

Germany: the Social Market

The post-war German settlement was based on the idea of a 'social state', sometimes rendered as a 'social market economy'. The first, central principle was that economic development was the best way to achieve social welfare. The structure of social services had to reflect this priority. The principle is represented most clearly in the close relationship of services to people's position in the labour market. Social benefits are earnings-related, and those without work records may find they are not covered for important contingencies. Less clear, but probably even more important, is the general concern to ensure that public expenditure on welfare is directly compatible with the need for economic development and growth.



Otto von Bismarck.

Second, the German economy, and the welfare system, developed through a corporatist structure. This principle was developed by Bismarck on the basis of existing mutual aid associations, and remained the basis for social protection subsequently. Social insurance, which covers the costs of health, some social care and much of the income maintenance system, is managed by a system of independent funds.

Third, there is a strong emphasis on the principle of "subsidiarity". This principle is taken in Germany to mean both that services should be decentralised or independently managed, and that the level of state intervention should be residual - that is, limited to circumstances which

are not adequately covered in other ways. Higher earners are not covered by the main social insurance system, but are left to make their own arrangements.

[External link: The OECD on Germany](#) | [Links to German sites](#) (in German)

France: Solidarity and insertion

Social protection in France is based on the principle of [solidarity](#): the commitment is declared in the first article of the French Code of Social Security. The principle is used in a number of different senses. The idea seems, at first sight, to refer to co-operative mutual support. Some writers apply the term in relation to 'mutualist' groups (friendly societies) and emphasise that people insured within national schemes (*les assurés sociaux*) are called to contribute and benefit on an equal footing. Others stress that relationships of solidarity are based in interdependence. Solidarity is usually understood, in this context, in terms of common action, mutual responsibility and shared risks.



Unemployment insurance in France is based on a 'convention' or collective agreement between employers and trades unions, not on legislation. The system is run by Unédic, not by the French government

The pursuit of 'national solidarity' was undertaken in the first place by attempting progressively to extend the scope of existing solidarities, most notably through the creation of a 'régime général' for health and social security, and subsequently through its progressive expansion. Since the 1970s this pattern of solidarities has been supplemented by 'insertion' or social inclusion, designed to bring [excluded](#) people into the net. The most important of these measures was the *Revenu Minimum d'Insertion* (RMI), introduced in 1988, which combines a basic benefit with a personal contract for 'insertion' or social inclusion. This has become increasingly identified with participation in the labour market, and in 2011 the RMI was replaced by the *Revenu de Solidarité Active*, which is intended to put more stress on the individual responsibility of unemployed people.

The French system of welfare is a complex, patchwork quilt of services. This kind of arrangement is relatively expensive, and much of the focus of social policy in recent years has fallen on the control of expenditure - filling 'the hole in the social', *le trou de la Sécu*. The main areas of concern are not dependency or unemployment, but pensions, because of the special privileges accorded to particular occupational groups, and spending on health care, where the stress on independent, market-led services (*la médecine libérale*) presents considerable problems in cost control.

[External link: The OECD on France](#)

Poland: developments since Communism

In the period since communism, Poland has veered from its initially aggressive free-market policies towards an uneven combination of central responsibility and decentralised provision of welfare. The Constitution of the Republic of Poland commits governments to a 'social market economy', but its guiding principles are presented in collectivist terms. There are three main aspects. The first is a commitment to the nation, represented by a sense of the common good, and a recognition of Poland's unifying history, culture and experience of oppression. Second, there is an emphasis on Christian values, including obligations, religion, subsidiarity, and a moral relationship to the 'human family'. The third element is an emphasis on human

rights, including principles governing justice and relationships with authority. The rights and defined areas of state activity relating to social welfare cover most of the issues that would conventionally be considered part of a welfare state.

Some forms of welfare provision are hierarchical and strategic; the organisation of employment support is determined centrally and delegated to local government. Some are based on delegation of authority to distinct systems: pensions and social security for people with disabilities are mainly managed by ZUS, and health care is based on insurance funding, through NFZ. Some are local: provision for poverty, homelessness or family support, though these nominally fall within the scope of the Ministry, largely depend on the structure of services at municipal level.

The basic law declares that Poland is a unitary state - implying that central government is the source of authority and law - but it also makes 'self-governing' local communities responsible for tasks not reserved to other public authorities. That means that both the defence of human rights and the welfare of citizens depend heavily on local resources and policies. Funding is typically allocated by competitive bids for central government grants. There are marked gaps in services, for example, for unemployed adults and for dependent older people.

[External link: The OECD on Poland](#)

Sweden: the Institutional-Redistributive model

The Swedish model can be seen as an ideal form of 'welfare state', offering [institutional](#) care in the sense that it offers universal minima to its citizens. It goes further than the British model in its commitment to social equality. Sweden has the highest level of spending on social protection in the [OECD](#), as well as the lowest proportion of income left to independent households - less than half its national income.

Titmuss's 'institutional-redistributive' model combines the principles of comprehensive social provision with [egalitarianism](#). This is an "ideal type", rather than a description of reality. Social protection is not necessarily associated with equality; the French and German systems offer differential protection according to one's position in the labour market. The Swedish system, looked at in greater detail, has many of the same characteristics: Ringen describes the system as "selective by occupational experience". [6] However, the importance of equality - sometimes identified with 'solidarity', in the sense of organised co-operation - is considerable. The model of this is the 'solidaristic wage policy' advocated by the labour movement, which emphasised improving standards, limited differentials, and redistribution.

[External links: The OECD on Sweden | Swedish Social Democrats: "Our principles and values" \(PDF\)](#)

The United States: a 'liberal' regime?

The United States is sometimes described as a '[liberal](#)' welfare regime, in the sense that it represents individualism, laissez-faire, [residualism](#) and a punitive view of poverty. These issues often seem to dominate US debates on welfare: examples are the introduction of 'workfare', the exclusion of long-term benefit dependents, and the criticism of the 'underclass'.

Poster for the 1935 Social Security scheme:
from the FDR Library.

The US does not, however, have a unified welfare system. Federalism has meant that many important functions are held by the States, including public assistance, social care and various health schemes (Hawaii has had mandatory health insurance and a state-funded health system since the 1970s); recent reforms of health care have reinforced that diversity. By comparison with other developed countries, central government has had a limited role in social welfare provision: the main developments of federal provision were during the Roosevelt administration of the 1930s, which laid the foundations for the social security system, and the "War on Poverty" of the 1960s, which provided some important benefits (notably health care for people on low incomes) and engaged the federal government in a wide variety of projects and activities at local level.



In practice, the US is pluralistic, rather than liberal. There are significant departures from the residual model - e.g. state schooling, social insurance, or services for military personnel, veterans and their families, which together provide for more than 72 million people. In addition to federal and state activity, there are extensive private, mutualist and corporate interests in welfare provision. The resulting systems are complex: the guiding principle is less one of consistent individualism than what Klass has called "decentralised social altruism". [7] Diversity and complexity come at a price, and despite - or perhaps because of - political hostility to welfare provision, the US system is also unusually expensive.

External links: [US government agencies](#) | [History of US social security](#) | [Mirror, Mirror - US Health Care compared](#)

China and 'developmental' welfare

The provision of social protection in China is a mix of incomplete systems: they include social assistance, partial social insurance and welfare services. Social insurance varies by occupation and location. Social assistance offers a Minimum Livelihood Guarantee (*dibao*). In principle, *dibao* extends throughout urban China, but in practice its operation and administration vary locally. There has been some extension to rural areas, but there are still gaps. The provision of welfare is localised and often inconsistent and liable to subversion through mismanagement, corruption or simply being ignored.

"There is not one welfare state", Ringen and Ngok argue, "but many and radically different ones". [8] In South East Asia there are several states which have been described as 'developmental', giving priority to economic development through strong state intervention. In the authors' view, China does not fit the pattern well. Social protection has been introduced unevenly and late; there is no consistent pattern; the pattern of development has been restricted and conservative, rather than being taken as an instrumental aspect of development. They describe the system as fragmented, "limited and defensive in both ambition and practice."

Social Policy in India (written by [Keerty Nakray](#))

India has a large population (now over 1.2 billion people) in very diverse circumstances. The major obstacles to extending the welfare state are excessive reliance on agriculture, informal labour economy and low levels of employment in the service sector. Large sections of the workforce have precarious access to bank accounts or insurance schemes. In the decades

after independence, attempts to expand social security coverage across the population were marred by clientelism and political patronage of favoured ethnic and caste groups. [9]

Social policy in India has been dominated by a plethora of social protection programmes. [10] Several of these programmes were initiated recently, or received additional impetus. The programmes include:

- [National Food Security Act](#) (NFSA, 2013)
- [National Old Age Pension Scheme](#) (NOAPS, 2007)
- [National Rural Employment Guarantee Act](#) (NREGA, 2005)
- [Rashtriya Swasthya Bima Yojana](#) (RSBY, 2008); this is the National Health Insurance programme.
- [Janani Suraksha Yojana](#) (which translates as 'maternity protection scheme': JSY, 2005). This is a conditional cash transfer scheme.

However, social policies in India are largely [residual](#), with strict mean-testing procedures and with little potential to create productive assets in terms of human capital formation and public goods. The majority of citizens still largely rely on family, kinship and community for welfare activities. [11]

International aspects of social policy

The social policy of the European Union

The European Community was founded for political and economic reasons. The central political aim was less European Union than the maintenance of peace in Europe. The principal economic aim was the establishment of a European free market. By contrast, there were no clear social aims; such social measures as there were followed from the pressures of economic policy. During the 1970s, the emphasis of Community social policy changed towards improving 'living and working conditions' in the community, and the idea of the 'worker' was extended to include those who were not part of the labour force. Once it was accepted that the Community had social objectives distinct from the economic objectives, it became possible to expand the role of the Community in social policy.

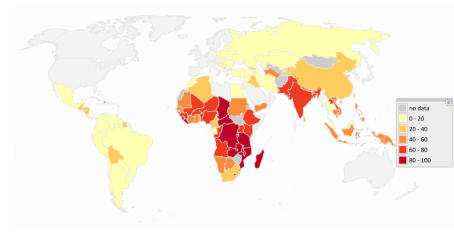
The powers of the Union have developed through incremental development of marginal, relatively innocuous measures in order to establish precedent and competence. For example, provisions covering cigarette packets, bus passes or language teaching sought to establish competence in relation to public health, old people, transport and education. This has been resisted through the idea of 'subsidiarity', by which action should always be taken at the lowest possible level.

The Commission's approach to the development of policy is based on the incremental development of services, the progressive expansion of solidarity, and the insertion of those who are excluded. Powers have been taken to deal with the problems of [exclusion](#).

External links: [The European Union](#) | [The EU and social protection](#)

Social policy in developing countries

The central problem of the developing countries is **poverty**. According the **World Bank**, more than half the world's population lives on less than \$3 a day; the target of \$1.90 a day used in the Sustainable Development Goals is arbitrary, but it shows that many people are not part of a formal economy. For Amartya Sen, poverty stems not just from a lack of resources, but from lack of entitlement: famines happen, not because there is not enough food, but because poor people are not allowed to eat the food that is there. [12]



World Bank: % of populations on less than \$2 a day

Economic development is essential to welfare. It produces material goods. It promotes integration and interdependence, and extends people's entitlements. It has clearly beneficial effects on social welfare: the last 30-40 years have seen spectacular improvements in longevity, infant survival, access to basic amenities like water supplies and fuel, and the provision of services like health care and education. At the same time, development produces casualties. It makes poor people vulnerable; it uproots traditional lifestyles; it can lead to social polarisation. The 'structural adjustment' favoured by international organisations - moving developing countries towards a formal market economy - has been criticised for pushing developing countries into a situation where their poor will be unprotected.

Although economic development is fundamental, it does not guarantee social protection. Traditional social security tended to be confined to narrowly defined occupational groups. Increasing numbers of low and middle income countries have introduced social protection schemes - since 2000, the coverage in lower income countries has gone from less than 100m people to over 840 million.

External links: [Poverty and development](#) | [The Sustainable Development Goals](#) | [Video - Hans Rosling on progress in dealing with poverty](#) | [Manchester University - Social Assistance Explorer](#)

Further reading: [Poverty](#)

Globalization and welfare

The development of a global economy has implications for national welfare policies. The nation state is being 'hollowed out', with power being dispersed to localities, independent organisations, and supra-national bodies (like NAFTA or the European Union). Mishra argues, in *Globalization and the Welfare State*, that globalization limits the capacity of nation-states to act for social protection. Global trends have been associated with a strong neo-liberal ideology, promoting inequality and representing social protection as the source of 'rigidity' in the labour market. International organisations like the World Bank and International Monetary Fund have been selling a particular brand of economic and social policy to developing countries, and the countries of Eastern Europe, focused on limited government expenditure, selective social services and private provision. [13]

This case is perhaps overstated. It is true that there has been retrenchment in many countries, and an increased focus on selective social services. At the same time, most developed countries have moved towards general coverage of the costs of hospital care, and more inclusive social protection policies. Transitional economies are moving in a similar

direction, and the mushroom growth of social assistance schemes (often in the form of Conditional Cash Transfers) is particularly remarkable. There has been a greater diversification of the basis of coverage, through a combination of governmental and non-governmental provisions. There is no consistent trend to greater inequality, though Piketty argues that increasing inequality is unavoidable. [14]

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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](#) |

[Advice to students](#) |

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