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**GOVERNANCE AND THE COMMON MAN: EMBEDDING
SOCIAL POLICY IN THE SEARCH FOR SECURITY**

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Preamble

This paper continues the task of linking together various strands of argument arising from the Social Policy in Developing Contexts (SPDC) research programme at Bath. It is a third attempt. The two earlier incarnations have been 'Regimes, Mixes And Ground Realities: A Synthesis Paper' (Gough and Wood March 2000) and my earlier 'Social Policy and the Peasant Analogue'. This present paper essentially revises the second of these papers, but draws also on the first and other SPDC materials and discussions. It does not constitute a descriptive overview of whole team contributions and does not reflect a full consensus of views, positions and analysis. Rather, it represents a particular line of argument which seeks to capture more closely the conditions of the poorer regions in the world, especially South Asia and Sub-Saharan Africa. In doing so, it challenges many of the normative assumptions made by rich country social policy discourses especially in respect of the condition of the state and the labour market. Hence 'Governance and the Common Man' (which I think has a better ring to it than the common 'person') in the title. It is therefore offering a particular argument rather than a synthetic overview of the Bath project so far.

Introduction

Social policy as an applied multi-discipline of the social sciences has its roots, like so much other social science, in the western political philosophy of rich industrial and post-industrial countries. It has therefore been able to rely upon two key assumptions: a legitimated state and a pervasive labour market as the basis for most people's livelihoods. Further key supporting assumptions have included sophisticated, comprehensive and regulated financial markets enabling strong links between the state and the market in policy terms to support the savings, pensions and insurance sector. As a result, both the ontological construction of social policy, and the intellectual discipline of social policy as a critique of inadequate and ineffective transfers to the poor and insecure, focus heavily upon the role of the state. The state as an outcome of formal political settlements about government rights to tax and re-distribute; and the state as a guarantor and provider of essential services to deliver security at socially acceptable minimal standards of living. In this sense, western social policy has been associated with particular sets of means as well as ends. This paper challenges the relevance and efficacy of those means in poor country contexts.

This point of departure is influenced by Polanyi's 'great transformation', where economic modernisation and the development of liberal capitalism is characterised as the disembedding of the economy from social relations and the consequent realisation of 'self-regulating markets'. But as Polanyi argued, this principle of the market cannot easily be extended to fictitious commodities like labour, land and money. Thus 'social history in the nineteenth century was thus the result of a double movement: the extension of a market organisation in respect of genuine commodities was accompanied by its restriction in respect of fictitious ones.' (Polanyi 1944, p76 quoted in Harriss 2000 p 328). Society therefore protected itself against the market with respect to labour: 'the labour market was allowed to retain its main function only on condition that wages and conditions of work, standards and regulations should be such as would safeguard the human character of the alleged commodity, labour' (Polanyi 1944 p177, again quoted by Harriss).

These arguments have been strongly encapsulated in Esping-Andersen's notion of a welfare regime (1990,1999), distinguishing between the varying post-war political settlements across the richer industrial and post-industrial societies with the terms: liberal, conservative and social democratic. The research programme at Bath included colleagues highly familiar with the analysis of these political settlements working alongside those with their roots in the development discourses of poorer countries, especially in South Asia and Sub-Saharan Africa.

Heuristically we took the 'welfare regime' paradigm as an entry point into a debate about the underpinnings of a new, global social policy, which would not rely upon the two key assumptions of legitimated state and pervasive labour market. The 'project' was never to apply a modification of the welfare regime. Rather, it was about taking that conceptual apparatus and seeing what institutional categories it generated when considering public/private combinations of support for poor people's livelihoods in non-rich countries. To aid this process, we have increasingly distinguished between a strong version of 'welfare regime' as comprising the state's role in de-commodifying the labour market (see below), and a weaker version which sees 'welfare regime' as a political settlement between the major competing interests in society. However, even the weaker version does not adequately deconstruct the institutions through which those interests compete, nor does it easily contend with societies where the poor are effectively disorganised by those institutions. The debate between us continues, and this paper represents some of its content. While there are various ways to pursue the argument from this point, a simpler early observation has been that: the 'welfare regime' paradigm in both its versions retains considerable validity in the richer, middle income countries of SE Asia and Latin America; is clinging to relevance in CIS and transitional countries of Eastern Europe; while even its basic categories of analysis such as state and market are deeply problematic as descriptions of conditions elsewhere, where the great transformation in the Polanyian sense of disembeddedness might be considered not to have occurred. At the same time, wherever peasant systems are being transformed by the global restructuring of capital, with its flexible labour markets, then even as peasants enter labour markets through migration and urbanisation, so they continue to be disempowered and insecure in those markets and have little prospect of recourse to state protection even where legal/formal rights exist.

This obliges us to argue for an ontology of social policy which embraces an institutional 'responsibility' landscape: which does not conceptually privilege either the state or the market; which treats them both as problematic alongside civil society or community and the household; which sees these institutions as operating at different levels from the local to the global; and which sees insecure, vulnerable people trying to negotiate secure livelihoods through these imperfections and consequent uncertainties. It seems reasonable to distinguish the business of social policy, as a critical multi-discipline, from its less applied, more detached social science equivalent: viz the analysis of political economy. In the latter, we may shrink even from terms like state and market and substitute 'polity', 'economy', 'society' and 'family' as more neutral terms (Bevan 2001). However the study of policy, and especially social policy in the service of poverty eradication, entails a normative disposition towards the principles of rights and responsibilities. This would seem to necessitate the more normative terminology of state, market, civil society/community and household within an institutional responsibility framework. But let us establish at the outset that these aspects of the institutional landscape are regarded as deeply problematic for insecure social actors negotiating livelihoods, and that these problems reflect both the general principle of embeddedness within social relations and culture as well as the specific issues of power, inequality, class relations and other 'identity' bases to fission and fusion which constantly disturb the landscape (Castells 1997). Thus the object of our critical social policy studies has to be the understanding of rights and responsibilities as actually articulated in the institutional universe faced by the poor in developing contexts.

This standpoint enables us to conceive of social policy itself (as distinct from studies of it) as a combination of the social, cultural and political arrangements through which poor people (i.e. those who need it) supplement their weaknesses in economic arrangements, partially but not exhaustively framed as markets (whether labour, product or service). This formulation puts some distance between the assumptions underpinning the welfare regime paradigm in both its strong and weak versions, and the institutional conditions prevailing in many parts of the poorer world. The key difference is represented by the welfare regime principle of 'de-commodification': i.e. the state acting as a regulator and redistributor of otherwise

unconstrained outcomes of market economic behaviour. Organising equity, in other words (Schaffer and Lamb 1981). The principle of de-commodification simply does not make sense in societies where economic behaviour is not commodified; where general commodity relations do not prevail as even imperfect markets; and/or where the social embeddedness of markets limit any prospect of their purity.

Given poverty eradication as the point of departure, our central task then becomes how to characterise these non-Western conditions and thereby to assess their implications for re-thinking the basic principles of social policy. In particular, these conditions bring centre stage the significance of social and cultural resources at 'community' and family levels for pursuing secure livelihoods, displacing states and markets. However it may be that the answer to the question 'how do people presently survive?' does not lead to an adequate social policy answer, where a policy of strengthening present informal arrangements may amount to strengthening adverse incorporation and clientelism. If so, then prescriptions almost inevitably take the form of improving governance and the operation of markets (i.e. the realm of rights and responsibilities). While these prescriptions appear to conform to the agendas of the Bank and other international organisations and donors, our conclusions are likely to differ with respect both to the analysis of the value of present social resources, the territorial space within which governance and markets might flourish, and the socio-political methods by which institutional conditions for a favourable social policy can be created. That is to say: the means of social policy have to be specified differently.

The way into this understanding can be described as the phenomenology of insecurity, supported by a 'poor actor-oriented' epistemology. In another language, we have to be more 'emic' in our methodological approach with a stronger questioning of the present language and discourse of normative social policy which is captured by an economics discourse of levers and responses and a political discourse of citizenship, unmediated by actually existing institutions (see the papers in Conway et al 2000 for an example on a non-emic narrative, especially the one by Jorgensen and Holzmann from the World Bank). In a counter-narrative, poor people in the poorer parts of the world can be characterised by other discourses such as 'peasant' and/or 'client', reflecting the particular embedded nature of livelihood options in a non commodified socio-political economy. Countries in South Asia remain predominantly agrarian, and even though this will demographically change over the next quarter century, the associated principles of social organisation will persist perhaps indefinitely, since we cannot equate urbanisation with a linear route to commodified modernisation. At the same time, while these countries have operating nation-states (just) their problems of governance and effectiveness remain (Landell-Mills 2001, Wood 2000, UNDP 2000). In sub-Saharan Africa, continuing to be agrarian is only part of the understanding since the general conditions of insecurity through wars, famines and AIDS challenge the very conception of nation-state as a valid territorial entity. Bevan characterises these situations as 'insecurity regimes', with large-scale political clientelism (not just localised socio-economic clientelism) as the main framework of social inclusion (Bevan 2001).

Indeed, the immediate predecessor of this paper was entitled 'Social Policy and the Peasant Analogue' to express some aspects of the above argument. In discussion, however, we agreed that 'peasant' was too limiting, even as a heuristic analogue, and would--perhaps like 'welfare regime'--distort the wider argument. Nevertheless, I abandon it with some reluctance since the principles of being a peasant extend as a description into urban, industrial and informal sector life--i.e. into urban as well rural labour markets, and into urban as well as rural lifestyles (Roberts 1978 and later, Wood and Salway 2000, Loughhead, Mittal and Wood 2000). This 'peasant' analogue could be described as the phenomenology of insecurity: risk aversion, discounting, co-variance of risk, emphasis upon reproduction (physical and social), significance of the domestic/life cycle, inter-generational forms of transfers and provision, intra-family dependency ratios, significance of social resources in context of weak social capital. Pervasive clientelism takes this phenomenology a step further by emphasising loyalty

over voice in the absence of exit options (Hirschman 1970), but therefore the kind of loyalty which extends and compounds the problem of governance.

As a result, one is tempted to say 'sort out all of these conditions before embarking upon discourses of social protection and safety nets', by recognising that tinkering with institutional reform in order not to frighten the powerholders maintains the conspiracy of avoiding voice as the route to change. Staff at the Bank are proud of their 'Voices of the Poor' consultation for WDR 00/01, but highly resistant to the exercise of voice by the poor as the route to institutional reform.

Welfare Regimes outside the OECD

As some countries in erstwhile poorer parts of the world have experienced dramatic economic growth, urbanisation and industrialisation, so has social policy developed outside its traditional zones in OECD countries, first in Latin America and later on in parts of East and SE Asia. There has also been a further sub-set of richer OPEC countries with high per capita incomes and a heavy reliance upon in-migration to deliver economic growth and social provision. These processes of change have been part of the story of 'globalisation'. Elsewhere, strong systems of state-guaranteed employment plus enterprise-based social protection were established in the Soviet Union and the state socialist countries in the post-war period: these are now being transformed by the uncertainties of markets, as yet barely formed. In Communist China, a dualist welfare system was established providing enterprise welfare in the towns and commune-based welfare in the countryside, policed by residential permits; again, this is now being transformed though along a different path.

All of these regions are vulnerable to fluctuations and trend shifts in global commodity and financial markets. Witness the collapse of the Russian banking system and the East Asian crisis. But all these countries enjoy macro-level social policies with some specified relation between the state and market provision in the social sectors of education, health, pensions and social care. The experience is variable between these countries, and in terms of distributional outcomes within these countries. Poverty and vulnerability clearly exist and persist within these countries with many people having problematic rights and entitlements. There are patterns to this distribution in terms of class, race, gender, age and citizenship status.

But none of these regions, in aggregate terms, experience the scale and depth of poverty found in a further sub-set of countries in Sub-Saharan Africa, South Asia and a few parts of East Asia. As proportions of their total population, these countries: are the least urbanised (currently); have the smallest formal employment sectors; are most dependent upon agriculture for primary incomes and employment; have the highest illiteracy rates; the worst sex ratios; the largest informal sectors; the lowest education indicators. Occasionally they score highly on economic growth rates, but from a low point of departure. They have the highest population growth rates, with levelling out not expected until the end of the first quarter of this century.

To what extent do these different countries and regions have 'welfare *regimes*'? The idea builds on the relatively trivial notion of the 'welfare mix' (or the weaker version of welfare regime, noted above): that different domains of social life organised along different principles and rules contribute collectively to livelihoods and welfare. As formulated by Esping-Andersen, the concept of welfare regime contains three elements, not entirely congruent. First, it applies to capitalist societies that have been transformed into welfare states, i.e. not countries that happen to engage in a bit of social policy on the side, but societies so deeply affected by their non-residual, pervasive social policies that they are best defined as welfare states. (This concept poses problems for the biggest developed country of all - the United States - where 40m lack health insurance and two million, mostly poor and black, are

incarcerated. Is this a welfare state or a 'carceral state'?). Second, it denotes a degree of de-commodification through state action - a measure of protection against total dependence on market forces. To this can be added 'de-familialisation' - collective provision that reduces dependence on one's family. The OECD countries vary greatly here. Third, the concept denotes the ways in which states, markets and households interact in the provision of welfare to produce and reproduce stratification outcomes. In this way social policies shape political divisions and alliances and, usually, reproduce them through time thus exhibiting path dependency. On the basis of the second and third dimensions, Esping-Andersen distinguishes three welfare regimes in the OECD world: liberal, conservative and social democratic. The liberal regime reproduces through a dualist politics, the conservative through status- and family-based politics and the social democratic through a universalistic politics.

Can this 'welfare regime' approach be applied to poor, developing and transitional countries? In the first sense, clearly not with the possible exception of the richest emerging market economies - Singapore, Hong Kong, Korea and Taiwan, since it is questionable whether even the US is a welfare state in the non-residual, pervasive sense. In the second sense, taking the key 'regime' principles of de-commodification and de-familialisation, they used to apply to the Soviet Union, Central Europe and other state socialist countries including China until the very recent period. They still apply to much of South America (Barrientos 2001) and parts of East and SE Asia (Gough 2000), where extensive public programmes and private provision coexist and interact, though in a highly dualist, stratified way. But countries in South Asia and sub-Saharan Africa cannot be considered to have welfare regimes in this sense. At best, the state contributes as a significant employer in countries with large, even overblown, public sectors. However, a key feature of this sub-set of countries is the absence of *both* mature, well-functioning markets *and* effective state intervention in the social sectors and welfare. How can one de-commodify the un-commodified or partially commodified especially when the instrument itself is tainted by partial commodification?

In the third sense of stratification outcomes, there is only a broad application (i.e. not specific to *welfare* regime). Countries dependent on overseas aid, or NGO-based provision, or migrant labour, or clientelist networks will develop group interests and political alliances which seek to continue and extend the private benefits that these generate (see Davis on Bangladesh, 2000). Even societies with persistent civil war and cross border wars, as in sub-Saharan Africa and parts of S.Asia (Afghanistan, Kashmir), may organise livelihoods and develop forms of collective provision which adapt to war and reproduce through time.

Using this as our basis we might distinguish the following welfare regimes outside the OECD:

- Degrading statist welfare regimes: Russia and parts of the FSU, Central Europe. China is a major subset here, perhaps a regime of its own.
- Dualist welfare regimes: the more developed countries of South America, 'settler' countries in Africa (South Africa, Zimbabwe, Kenya).
- Productivist welfare regimes with growth-oriented states and social policy: North East Asia, possibly parts of South-East Asia.

But this still leaves major parts of the globe where the welfare regime analysis may not apply: South Asia, sub-Saharan Africa, parts of South-East Asia, possibly China. To analyse social policy here - and indeed elsewhere - we need to develop a broader analysis of the welfare mix using the institutional responsibility matrix adumbrated below.

What is distinctive about developing countries?

As a precondition for developing a policy model based upon the relationships between a series of key concepts and processes, we have to engage with the distinctiveness of developing countries as a context within which concepts gain more specific meaning. The intellectual project of transferring 'social policy' into a developing country context has to be done explicitly, acknowledging some basic problematics in the transfer attempt. Social Policy colleagues at Bath were, early on, accused in effect of contextual ignorance and intellectual imperialism by poor country specialists. Although such accusations came initially from outside Bath, some concerns are expressed internally that the specifics of particular countries, and their path dependency, cannot be contained and seriously engaged with via North Atlantic/OECD social policy perspectives.

Returning to the central problematic of 'de-commodification', this principle drove Esping-Andersen's North Atlantic work on post-industrial societies. It both reflects long established assumptions in social policy as well as moving it forward in terms of a large-scale, comparative model. The welfare regime idea, derived from it, has acted as a conceptual entry point for the Bath team. As such, it got us into immediate trouble with critics who have maintained the non-transferability of such approaches which rely upon the state regulation of markets to achieve more equitable social outcomes. Several objections loom large, instantly:

- the economy is not commodified and free of other major social and cultural objectives which determine both its functioning and outcomes;
- the state has so widely 'failed' both in competence and legitimacy that it cannot feature as a corrective to class creating markets;
- and, more linguistically, 'welfare' in poorer countries is perceived in contrast to 'development' as a combination of relief and charitable transfers, occurring within kin and other social relationships where the culture sustains such morality.

These objections to welfare regime as a universal policy model have led us to introduce the institutional responsibility matrix (IRM), in which the institutional domains that comprise the social policy landscape are deliberately problematised from the outset. The IRM thus represents a more universalistic, abstract conception to embrace the notion of welfare and development mix. Its composition, around the normative principle of 'responsibility' reflects that we are analysing policy frameworks rather than insecurity and political economy *per se*. We build up the IRM by linking domestic to global. The first requirement is to extend the Esping-Andersen triangle of state - market - family to include 'community'. This refers to the multitude of sub-societal organisational forms, including NGOs, and the related notion of civil society. The result is the domestic 'institutional responsibility square' (IRS).

Second, a variety of international components feature strongly in the institutional landscape of poor countries. These include supra-national equivalents of the four domestic components: official donors and other international governmental organisations; global markets; international NGOs and other 'voice' organisations; and the 'internationalised household' - migration, remittances, and global risk aversion through access to international welfare (Deacon 1999, Room 2001) and finance institutions (Sharif and Wood 2001, forthcoming). Figure 1 illustrates all eight components of the resulting institutional responsibility matrix (IRM).

Figure 1. Components of the Institutional Responsibility Matrix

	Domestic	Supra-national
State	Domestic governance	International organisations, national donors
Market	Domestic markets	Global markets, MNCs
Community	Civil society, NGOs	International NGOs
Household	Households	International household strategies

A crucial feature that the IRM shares in common with welfare regime analysis is that *these institutions do not operate independently from the others in terms of rules and pervading moralities*. In other words, there is permeability. However we have to distinguish between the quality and therefore outcomes of this permeability--positive and negative. This in turn sets limits in different contexts to *the possibility of one set of institutions counteracting or compensating for the dysfunctional effects of another*.

It has been familiar to assert that the state can compensate, in distributional terms, for the market. Indeed, this assumption underpins the de-commodification basis of Esping-Andersen's welfare regime approach. North Atlantic societies and social theory seems to be premised upon the incommensurate principle, enunciated *inter alia* by Isaiah Berlin (in his essay 'The Hedgehog and the Fox'), in which behaviour (and presumably morality) in one sphere can be successfully deployed against countervailing behavioural principles in another. This implies that humans in such situations habitually live and function in opposite, incompatible and contrasting categories of thought, commitment and behaviour, and accept that imperfections in one arena can always be corrected by another. It represents a kind of moral free ride, rather like Catholic confession, in which sin is always possible because absolution and external restraint are likewise on perpetual offer. This would appear to be a fundamental element of Western liberal philosophy, in which there is an expectation that freedoms and excess will be constrained by the activation of other freedoms. In contemporary governance thinking, the fulcrum or fault line has moved on to the point where civil society is expected to act as a countervailing force upon the unaccountable state--a very unGramscian idea.

Notwithstanding Isaiah Berlin (dangerous, I know), we will have to understand permeability in such societies at a higher, meta level (in another language--at the level of public aims rather than personal objectives). Thus in developed societies, we might acknowledge a consistency between the publicly-espoused principles and aims of fairness, equity, transparency and trust as they operate in all domestic institutions of the IRS. Of course, at the level of personal objectives people are selfish and engage in tax evasion, avoidance and cheating, but not to the point of allowing anarchy and chaos to prevail over order. Furthermore it is as if people know their own predilections for selfishness in their private 'market' and 'community' corners and deliberately accept the obligations of citizenship enacted through the state corner. So can we really say with this analysis that the state is 'compensating' for the market, when those operating in the market are simultaneously committing a degree of their personal autonomy to the state because they do not trust their own autonomy to deliver the public goods of social order based on equity and sharing? Furthermore, they accept the state because they acknowledge their own propensity along with those of others to otherwise free-ride.

The problem arises when the permeability functions with the opposite effect--i.e. when alternative principles and public aims prevail: of privilege; of natural superiority of rights and entitlements; of selfishness; of private short-term gain; of fission; of social closure. Here all components of the IRS exhibit failures. Markets are imperfect, communities clientelist, households patriarchal and states marketised, patrimonial, partial and based on political clientelism. In most developing countries, with non- or partially commodified markets and a

more ascriptive basis to the acceptance and exercise of authority, core values prevail across the different spheres of relationships with greater certainty. One's behaviour is simply not different whether inhabiting the state, market or community and household.

Under such conditions, how does it make sense to expect the state to disentangle itself from deep structures in order to compensate for them? To bend a famous phrase of Poulantzas: the state is a condensate of social relations. In this situation all are prisoners (Wood 2000). The issue is whether the prison is worth living or not, and what functions it performs. But do not expect its west wing to 'compensate' for its east wing! In other words, we have the negative principle of **permeability** between the arenas of social and economic action, guided by dominant and cohering sets of values and accompanying norms, thus removing any prospect of the corrective principle being applied.

Operationalising the Matrix

Having replaced the ethnocentric welfare regime with a more universalistic institutional framework, there are three substantive and methodological issues to consider: the basic critique of the institutional corners of the domestic square; the significance of the global dimension of the IRM as representing the corrective principle; the arguments for a 'meso' focus which links poor people as social actors to the problems of governance and markets. Let us take each in turn.

First, therefore, corresponding to the four corners of the IRS there are four sets of institutional problems to consider. *First*, the state in terms of its legitimacy and governance to mobilise opinion and resources towards poverty eradication, given that it has limited autonomy to operate independently of other prevailing structures of power in the society, including the informal buying and selling of its services. *Second*, the market in the context of transition from localised, personalised forms of exchange into wider systems requiring universalised principles of contracts and trust, maintained through public goods conceptions of social capital. *Third*, the community as incorporated civil society acting as a supporting pillar to governments (in the Gramscian sense of civil society); critical civil society winning and maintaining rights (as in the present normative assumptions about contributing to improved governance); and as voluntary and private activity towards one's own needs as well as those of others, but presently beset by problems of social closure, clientelism and adverse incorporation. *Fourth*, the household, increasingly problematic as the primary unit of welfare for its members, with gender and inter-generational obligations at risk. (More detailed problematisation of the IRS can be found in Wood 2000, as well as earlier SPDC papers.)

Secondly, the global dimension of the IRM, representing either the corrective principle or opportunities for exit for those domestic classes with choice. This includes:

Formal supra-national organisations such as the World Bank, IMF and other regional development banks along with bilateral and multilateral donors represent a series of discourses on the social policy agenda of poverty eradication, livelihoods security, human development, governance and human rights. The UNDP Human Development Reports have been hugely influential even though they are 'detached' from UNDP projects. Even where funding agencies are not so financially significant, as in India or China, they can nevertheless influence and even shape domestic social policy through moral commentary and technical assistance, along with leverage over third party organisations (i.e. MNCs seeking business in such countries). Given that the IMF is now more explicitly attaching poverty eradication conditionality to its financial assistance programmes, all countries are under increasing pressure to conform to the global discourses represented by these organisations in order to access emergency support in times of financial crisis. The prevalence of insecurity regimes in Africa nevertheless continues to limit the efficacy of these external discourses, weakening the corrective principle.

The dissolving power of *international markets* in goods, services, labour, capital and finance impacting upon livelihoods security in contradictory ways: sometimes an employment generator; sometimes an employment destabiliser; sometimes a mobiliser of investment resources; sometimes an opportunity for capital flight; sometimes a driver for technological change; a contributor to the rise of a domestic middle-class with corresponding increases in skill levels; a purveyor (though not always, and not always perfect) of economic moralities about contract adherence, competition, efficiency and the value of long-term investment; an influence over individualism, nucleation of families, narrower conceptions of moral responsibilities to the society, migration and urbanisation (entailing new codes of living).

The mushrooming of *international NGOs* (with operations as well as discourses--e.g. OXFAM, Save the Children, ActionAid, Amnesty International) and other international lobbying organisations (such as One World Action, World Development Movement, other human rights organisations, and so on). Certainly these organisations can be regarded as having close links with the critical parts of domestic civil society, constituting networks and access to wider knowledge as the basis for trying (though constrained by permeability) to shift policy priorities and resource allocation within their own societies.

International household strategies which cross national boundaries such as labour migration. Both permanent and impermanent migration provide remittance flows from the migrator to members of the family and households at home. The former may also provide valuable goods and a possible future exit for other family members. The costs are often lack of all rights - denizenship rather than citizenship - and extreme insecurity, not to speak of hazardous labour. International household strategies also include different forms of exit - that of the rich and middle classes who purchase education and health care abroad, import maids and servants from poorer countries, and export capital. This in turn can undermine political coalitions seeking to improve domestic social policies. They offer the opportunity for the domestic middle classes in different countries to opt out of domestic arrangements thus weakening the revenue basis of public provision and /or insurance publicly or privately arranged. To the further extent that these middle classes increasingly divert their savings as investment to MNCs and investment banks operating outside their own society, so they are reducing the multiplier value of their capital to the domestic economy, especially in terms of employment generation. Their opt out potentially spoils provision for everyone. A counter trend is where the 'opt-out' behaviour of people from richer societies (at least in the sense of health and care services) generates a specific sector of domestic employment opportunities.

Even though the globalised dimension of the IRM produces the opposing outcomes of some corrective functions as well as exit options which weaken the pressure for improved domestic governance, the domestic IRS dimension needs to remain as the focal point of our analysis. Why? Social policy is ultimately about political commitment, the interaction therefore between social forces within an identifiable political economy with which that population identifies as its site of primary rights and responsibilities. This is where the ultimate trade-offs, negotiations, concessions, agreements have to be made. This is where the path dependency occurs and which leads us to the third, methodological issue in operationalising the IRM.

So, **thirdly**, we come to the arguments for a 'meso' focus which links poor people as social actors to the problems of governance and markets. There still remains a methodological tension between those seeking generalising statements (laws, patterns and grand theory) and those concerned to emphasise the specificity of particular countries, regions and cultures. Writers like Esping-Andersen and Fukuyama (cf 'Trust' 1995) teeter on the edge of banality in the attempt to erect comparative theory involving empirical generalisation about institutions such as the family or composition of business or attitudes towards the state. Does our quest

for a typology of 'regimes' (welfare, development, growth, growth through equity, security/insecurity) commit the same offence to the micro-empiricists?

This whole project has been about confronting the discourses and language of social policy, given its Western roots, with the reality check of societies where the same basic assumptions about legitimated states and pervasive labour markets cannot be made: viz the poorer countries with large scale poverty. As indicated in the permeability discussion above, that confrontation entails a basic challenge to the unproblematised, large-scale categories through which social policy as a social science assembles data and makes argument, such as:

- the state acts.....;
- the market behaves.....;
- the poor need.....;
- the family functions.....;
- the voluntary sector can.....;
- the globalised economy offers.....;
- and so on.

Thus, for example, has the confrontation challenged sufficiently the utility of such epistemology to an understanding of poverty and its eradication in the rural, agrarian and subsistence contexts of sub-Saharan Africa or South Asia? Despite the IRM, do some of our papers on regional welfare regimes (e.g. Barrientos in Latin America, Gough on East and SE Asia) reflect an inclination to see social policy as only extending as far as other urbanised, industrial and post-industrial societies, with little relevance beyond that? Do other regional papers (Bevan on sub-Saharan Africa, Davis on Bangladesh, and the upcoming Davis and Wood on South Asia) offer a conceptual and therefore empirical alternative which embrace the realities of poverty and insecurity better because they problematise the institutional landscape through which any social policy is likely to be achieved? Do the regional welfare regime papers for East/SE Asia and Latin America over-focus upon the classic categories of social policy (e.g. pensions, social insurance, social protection, safety nets and social sector spending on health and education) without an embedded analysis of the state (i.e. governance) and the labour market (i.e. the circumstances of the common man, with high proportions excluded altogether from the labour market, and others experiencing various forms of adverse incorporation and exploitation within them)?

However, in the quest for embeddedness, micro, highly context-specific, perspectives also have limited utility as well, as the trees take over in the quest for nuanced subtlety and holistic analysis. Such contextualised detail would be useful only so long as the corresponding resources were also at hand at that micro level: of expertise in terms of analysis; as well as capacity to follow up with finely honed policy, requisite resource transfers and commensurate institutional strategies. In the context of micro-diversity, exacerbated by dynamic social and economic opportunities, that is precisely the approach developed by micro-empiricists such as Wood and Bevan in N.Pakistan (Wood 1996). But the situation is unique, with an overfunded technical agency (the AKRSP) still able to commit human resources at such intensity to grassroots. Such conditions are simply not replicable on a grander scale elsewhere in Pakistan, let alone further afield.

So we have to reach for the meso in our epistemology, generalisation and level of engagement with policy. The macro is out simply because we cannot presume the state nor the generalised morality that enables strangers to exchange in the de-personalised market over time and space. But, empirically, the meso does enable us to say why Ethiopia and Zimbabwe share similarities and are different from Uganda or Zambia on e.g. dimensions of security or governance (Bevan and Sseweya 1995). Epistemologically, the meso enables us to connect an

actor-oriented perspective to institutions through the exploration of negotiation, choice, room for manoeuvre, opportunity and iterative re-definition of the landscape itself. In other words it connects people's actual livelihoods strategies to the institutional, policy and ideological landscape which shapes their options, prompting acceptance/compliance or struggle.

In establishing this methodological focus upon the meso, we also have to be more alert to the mediating contexts through which livelihood strategies are pursued. Western derived social policy relies very heavily upon mature labour and financial markets when considering the boundary between people's own behaviour (and options) and compensatory intervention by the state. Labour markets, with corresponding thinking (Room 2000) about personal investment in human capital development (i.e. de-commodification for personal development) are presumed to be the major ingredient of private livelihoods strategy, supported by financial markets that enable: saving and borrowing; liquidity management over family domestic cycles through loans and savings access; longer term security via pensions and personal equity plans. The business and entrepreneurial sector is located as a feature of the labour market. The dominant assumption is formal sector employment--whether self or salaried. Thus the labour market and financial market are conceived as the major mediating context for pursuing livelihoods in urbanised, industrial and post-industrial societies.

Leaving aside the social embeddedness and imperfections of such markets (the former is intrinsic to the concept of market, the latter can always be found), over-reliance on mature labour and financial markets as a basis for defining the public and private content of social policy is too ethnocentric when considering poor, developing countries. We simply cannot make the same kind of assumptions about commodification (Esping-Andersen) or generalised commodity relations (Marx) under capitalism. People are not 'freed' in the Marxian sense to treat their labour or that of anyone else as a commodity, disentangled from other relationships--the Polanyian argument. Exchange is not single transactional in single periods, but multi-transactional in multi-period games: interlinked, and for the most part interlocked. Although such exchange can be reciprocal, and frequently is in very poor, pastoral societies, in the inequality of agrarian societies where control over land is paramount to understanding its structure, exchange is hierarchical, patriarchal and clientelist: within and between families.

Are we therefore paying sufficient attention to such implications of agrarian, subsistence, semi and full pastoral conditions? Do we recognise that urbanisation in the poorer countries is not coinciding with the development of mature, disembedded labour markets connected to formal sector industrial, manufacturing or services growth? Are we understanding the significance of gender in structuring labour markets and household level subsistence activity? Have we been over-emphasising productive functions (via a labour market focus) rather than reproductive ones? Have the former been considered too strongly in terms of policy towards human capital investment maintenance (including migration for health and education) rather than informal, family based activity connected closely to immediate survival contexts (e.g. farming and risk averse cropping decisions, livestock management, infrastructure maintenance, storage and rationing, induction into kin and community cultures, marriage arrangements, nurturing the young and caring for the elderly)? How far can our approach to inter-generational transfers (Collard 2001 and special issue of JID 2000) embrace this reality? Can the conceptualisations and instruments of social protection, prevalent in Western derived social policy, actually engage with such lives? (See Conway, de Haan and Norton Eds 2000 for an exposition of the donor discourse.) What assumptions about rights actually make sense in this context, not just at the level of universal morality but in terms of institutions, which can meaningfully perform correlative duties?

Poor actor-oriented epistemology

So how far are we prepared to challenge the technocratic approach to social policy in which rich nice people do nice things to poor nice people through problematising structure and action? Our policy stance has to be more exclusively actor-oriented from poor people's perspective, based on four key presumptions:

- that only the poor will ultimately help themselves to the point of structural significance in relation to the basic terms of control over key societal resources;
- secondly that the poor will act according to their perceptions of options, but that these perceptions can be enlarged by their own and others' actions to expand room for manoeuvre;
- thirdly that individual acts can be significant at the level of the graduating individual, but come up against the usual social mobility arguments in which only a few change status and only in steps rather than jumps;
- so that, fourthly, collective action can be structurally significant for wider units of solidarity with many gains on the way to full structural re-formation (which may never be).

Thus collective or social action becomes the key ingredient of our policy stance where poverty eradication relies upon the principle of structural change, with individual action as a secondary, though significant, principle offering routes to improved livelihoods through graduation.

In other words, poverty eradication is about cohorts confronting power and inequality, whereas poverty alleviation is about reducing the incidence of poverty via processes of graduation and successful incorporation into existing social arrangements and patterns of distribution.

The key to understanding policy is then identifying what is conducive to structurally significant social action as well as individual, graduating action within the institutional landscape that circumscribes options and their respective meanings. Conduciveness is function of the conditions experienced by the poor. Thus there are individuals, social collectivities and institutions operating iteratively upon each other in a continuous process of re-definition of possibilities. Giddens called this 'structuration'. Put in our present language, we envisage a fluid, institutional responsibility matrix (IRM), with global as well as domestic aspects, as the main vehicle through which the autonomy of institutional spheres becomes relative and interdependent.

If all this sounds a bit abstract, accept it as clearing the decks for a perspective in which individuals and social collectivities have to negotiate their way through a complex landscape which continually alters shape not just as a result of their own actions but those of others as well. 'Others' are sometimes remote. Thus we have a policy model which is intrinsically about structure, relationships and conditions under which people have constrained choices due to the poverty of the institutional landscape which is thus partly responsible for reproducing their own poverty in the process. Thus the policy model includes, as an object of policy, institutional reform. Thus the policy agenda is about institutional reform, not just strategies towards the conditions of being poor. In another language, it is about the capacity of institutions to perform the correlative duties of honouring the rights claimed by or offered to the poor as the basic condition of poverty eradication. Since such institutions are themselves peopled by people implicated as classes, races or genders in the subordination of others,

institutional reform itself is not just a matter of prescription--hence the limitations of the technocratic perspective. Our expertise (as technocrats?) lies in analysing why positive outcomes are so difficult to achieve not because solutions do not exist, but because they are mediated through relationships of power and inequality which define the performance of the very institutions through which we expect outcomes.

Conceptualising the common man: peasants and clients

Mindful, therefore, of context and actor-oriented epistemology, a phenomenological position is adopted by considering security and insecurity as, respectively, the central link between livelihoods aspirations and the precarious social conditions through which they have to be realised (including, crucially in a policy context, the problem of governance). It links conditions, perceptions and family/domestic life cycles very closely together. If, when considering livelihood strategies, we focus upon key decision-making levels, then the primary points are: individual; nuclear family; and extended family (sometimes joint, but increasingly less so). We must always recognise that individuals and families see themselves as dynamic not static, as video not photo (Bevan's AKRSP and MID lectures). They intrinsically and inherently operate within a strong sense of life-cycle, the domestic cycle of the family with its notions of stewardship, with shifting dependency ratios over time, perpetually threatened by events, requiring continuous trade-offs between present consumption (the more poor, the higher the necessity) and future investment (the more poor, the less certain the conditions for it).

Given the concerns, expressed above, about over-emphasis upon labour markets in our point of departure, we therefore need more of the 'peasant' in our basic understanding of these decision-making levels. This remains true even when we acknowledge structural change in the direction of: marketisation and commodification; wage employment ; industrialisation and the new service economy; urbanisation; rising incomes; and the nucleation of families (see Kearney 1996 on reconceptualising the Mexican *campesino*) . In poor countries, we cannot assume that these changes will inexorably lead us towards commodified modernisation. Contemporary survival options include seeking to reproduce 'peasant' behaviour and client status under conditions of urbanising labour markets, characterised by segmentation and informal sector attributes (Opel 2000) as well as increasingly unstable families (Jesmin and Salway 2000).

This peasant mentality, perforce, has to focus more upon reproduction than production as the central motivation for managing the domestic cycle whether annual or inter-generational. The peasant, with low technological control over the environmental conditions for production and always a price-taker rather than a price-maker, is pervaded by a sense of market insecurity. But since the peasant is rarely, if ever, self-sufficient, then any exchange, as a prerequisite for survival, is fraught with danger. And with the state historically functioning more as a predator-protector than as a market compensator and enabler, the state represents part of the problem of insecurity rather than a moderator of it. Thus the peasant has to rely for survival more upon those institutions where membership is more complete, acknowledged and legitimate: i.e. community and kin. This, arguably, is where the peasant has more chance of controlling events and reducing insecurity. This only works up to a point. Where the community level is itself characterised by severe inequality, then class or other exclusions undermine the value of these institutions to the excluded as a basis for dealing with uncertainty and insecurity. Certainly, under such conditions, any notion of reciprocity has to give way to hierarchical, adverse incorporation: i.e. the embracing of client status and a consequent reinforcement of clientelism as the pervasive political settlement.

Dimensions of insecurity

Although the analogue of the peasant has been deployed above, and will be again below, it is therefore also important to reflect upon wider conditions of insecurity derived loosely from a country's poverty status as well as the family level, life cycle conditions. The wider conditions also contribute to the uncertainty at the local, community and family level and undermine/challenge/weaken the viability of institutions at that level to perform secure reproduction functions. These points are made more with reference to contemporary Africa, than South Asia or elsewhere. But, when considering them, let us not forget Afghanistan, Kashmir, Burma (and the border areas with its neighbours), East Timor, other parts of Indonesia and the Philippines, parts of Colombia (despite its overall progress paradoxical progress on economic and social indicators (Barrientos 2001), and the Balkan region. Recent history would add a few more examples outside Africa too. Thus consider the following list:

- the socially embedded state producing discretionary, even arbitrary outcomes with legitimacy based upon authority rather than accountability;
- such states, and the challenges to them, as a cause of war, with large clan and ethnic factions capturing the state and excluding others;
- intense, all or nothing, competition over scarce and valuable natural resources (i.e. minerals and watersheds);
- war as pervasive civilian dislocation negatively impacting upon different points of the life cycle over short term periods (crop seasons), medium term periods (theft of livestock) and longer periods (undermining a predictable basis for human, natural and productive investment);
- such dislocation undermining the incentives for large-scale, long term, public investment which might, for example, manage water more securely and therefore crops;
- colonial re-structuring of agrarian and pastoral economies undermining flexibility of response to climatic conditions (e.g. Karamoja);
- thus, for some countries especially in Africa, periodic threats to food security and collapse of markets;
- under such conditions, a shrinking morality which emphasises the significance of ever decreasing circles of more immediate kin as the corollary of the breakdown of public trust;
- enforced mobility of populations as refugees from war zones and disasters, sometimes the outcome of arbitrary colonial borders;
- long term oppressed minorities under siege (e.g. Southern Sudan);
- legacies of indentured labour (especially in Southern Africa) with migrant, male cultures and machismo gender outcomes interacting with trade routes to socially underpin pandemics like AIDS, now a major source of insecurity at all institutional levels.

Under these conditions, it is hardly surprising that the poor in poor countries have a high discount rate. The demands on the present are too extreme to warrant sacrificial investment in a highly uncertain future. This can be exacerbated by global economic conditions as well as thoughtless domestic macro-economic policy which removes certainty from skill-based

labour markets, and thereby removes the propensity for private or public human capital investment in them. (See Kanbur 2001 for the all important distinction between growth, which is always positive for poverty reduction; and particular growth-oriented economic policies, which maintain poverty where it might otherwise have been reduced.) Better, therefore, for the poor to operate in the spheres of the known, familiar and controllable. The survival algorithm is stronger than the optimising one (Lipton 1968).

Risk: aversion and co-variance

Thus, when understanding the poor in a poor country context, the **peasant** is a stronger analogue than that of **employed worker**. Insecurity and uncertainty induce risk averse behaviour, by leaving poor people more exposed to livelihood threatening risk. This insecurity and risk is partly an issue of time and partly an issue of social capital and social resources. Time is the discounting issue, noted above, and is elaborated elsewhere in Collard (2001) and Wood (Forthcoming 2001). Certainly the 'snakes and ladders' analogy is useful here (Room 2000). Across the tenuous uncertainty of time, precarious families are stretching out a survival strategy, but always dominated by a hand to mouth reality which prevents preparation to cross the chasms and traps that reside *en route*. Room discusses this in terms of endowments as resources and relationships which can offer ladders to bliss if aided by passports, or which offer only snakes leading to social exclusion unless inhibited by buffers. Passports and buffers are created through the public/private partnerships of social policy, but unfortunately the institutional prospects of achieving them are lowest where the need is greatest. This is why we must always connect the micro circumstances of people to the meso and macro conditions of institutions across the IRM. So how does the insecurity of the present affect the uncertainty of the future?

We have already noted the overall problem of institutional failure in the IRM (see Wood and Salway 2000, and Wood 2000) in which states and markets are especially problematical for everyone in such societies. Under such conditions, everyone suffers a problem of social capital but not everyone suffers a problem of social resources and power to control or manage events which flow from such resources. This to say that social capital has to be conceived more as a public good (or 'bad' if functioning in highly partial ways--see M.I.A.Khan 2000), whereas social resources can be seen more as a private good which operates to offset the weaknesses of social capital. Weaknesses of social capital constitute a lack of faith by social actors in a range of institutions from formal political organisations and their civil bureaucratic counterparts on the one hand to informal, community and kin organisations on the other. Such weaknesses ultimately derive from uncertainties about membership and stakeholding, and accompanying ambiguities about rights and entitlements.

A lack of social capital breeds a lack of social capital in the sense that the moral universe shrinks to the irreducible unit of the family, producing Banfield's 'amoral familism' (1958) and intensifies a sense of distrust in the community level institutions. Without trust (Fukuyama 1995), there is insecurity in almost any imaginable arena of social interaction. However, those with social resources (clearly a dimension of power and an expression of superiority in the political economy) re-create trust through a labyrinth of interlocking networks in order to introduce greater security and predictability in transactions, especially over time. They are actively involved as dynamic actors in creating a structure that works for them (as Long and van der Ploeg 1994 remind us: actors are active, structures are fluid). When such processes become institutionalised, we call it 'civil society' and expect its features to act upon the state and market as a reforming angel. However such origins of 'civil society' are themselves reflections of power and unlikely to be representative of the interests of the poor. This is how Gramsci could see the emergence of civil society as a pillar of the unrepresentative state (Gramsci 1976)--acting out the observed principle of permeability.

With social resources so unevenly distributed within the society, the problem for the poor is that they are exposed to the weaknesses of social capital, without any prospect of meaningful social resources to compensate. Their claims across the IRM are weak, as a result. Therein lies their major source of risk. And without the social options to manage that risk, they have to rely more heavily upon their family and less upon transactions with others. Hence the shrinking moral universe, hence the validity of the peasant analogue.

This exposure to risk is multiple and co-variant. The WDR 00-01 discusses risk in various places, distinguishing between micro, meso and macro levels of risk in Chapter 8, and co-variant risk, particularly induced by conflict in Chapter 3 (see especially Box3.2) and chapter 7 (World Bank 2000). The WDR claims to encompass the risk terrain by also distinguishing between co-variant and idiosyncratic risk (Chapter 8), such as illness, injury, old age, violence, harvest failure, unemployment and food prices (p.136). However, nowhere does the discussion acknowledge the chronic aspects of risk induced by inequality, class relations, exploitation, concentrations of unaccountable power and social exclusion as absence of 'community' membership. In other words, an institutional account of risk is missing. This is a key objection to much of the contemporary livelihoods discourse (see below in this paper): it fails to explain the micro circumstances of poor people in terms of meso and macro institutional performance, which express political economy and culture.

The 'resources profile' approach to vulnerability (Lewis and McGregor 1993) is basically a framework of non-idiosyncratic co-variance, with weakness on one dimension triggering weakness on another with an unravelling affect on livelihood security as a whole. Some of this co-variance is more familiar than others. For example, we expect poverty, seasonality of incomes and food availability, nutrition levels, morbidity, acute illness and loss of employment to go together, leading to loss of assets and further spiralling decline. Until recently, we might not have connected strength in social resources to human resources such as health and education; or labour participation (under a 'material resources' heading: i.e. income flows) to common property access where an ability to contribute labour constitutes membership.

It is this co-variance of risk which needs to define policy process and content: understanding in context which type of support/intervention offers the most leverage on strengthening the livelihood portfolio as a whole via identification of key risk linkages. Clearly the WDR 00-01 addresses this partially in its chapter 8, box 8.3 'Mechanisms for Managing Risk' (p.141) where it distinguishes between reduction, mitigation and coping objectives and IRM categories of response (informal: individual/household and group based; formal: market and publicly provided). But since it is derived from and therefore limited by its prior anti-septic, de-politicised treatment of the issue, it continues to be naïve about social and political institutions and the opportunities for positive action via their rules. Physical incapacity of male adults for the labour market might not matter if there is no labour market, or access is heavily segmented ethnically and culturally. Prices on essential agricultural inputs, or levelling out seasonal fluctuations in local level food prices could be much more significant for local peasants and casual, agricultural wage labourers, but prices should never be offered in an analysis of this kind as a given.

So we have a proposition. The imperatives of risk aversion as well as avoidance in the present may deliver short term security while reproducing the conditions for long term insecurity in the future. This causation exists particularly strongly in the social domain with the quest for functioning social resources in the context of overall weak social capital requiring either over-strong reliance upon internal family relations or allegiance to other providers at the cost of dependent and sometimes bonded loyalty (adverse incorporation). But such risk avoidance extends to other behaviour which has to favour meeting immediate needs over future ones within a peasant analogue: crop diversification and subsistence preferences regardless of

prevailing prices; debt acquisition foreclosing future investment options (e.g. raising dowry capital versus investment in education); and so on (Wood 2001, forthcoming).

Thus, when poor social actors are negotiating their institutional landscape, their cognitive maps are full:

- of discounting;
- of managing immediacy within severely constrained choices;
- of awareness about long term loss for short term gain;
- and of frustration about never being able to get ahead of the game for long enough to really commit resources for the future.

How can policy alter these time preferences? How can it convince poor people of sufficient present security to invest in their future? How far, then, must we conceive of social protection, safety nets and welfare more generally as having a fundamental development function by altering time preferences? How far is it appropriate and ethical to shift the balance of effort in social policy **from** the stance of intervention to compensate for market outcomes (social protection) **to** the stance of supporting poor people's higher level of entry point into labour, commodity, services markets (social investment)? And leave it to structuration for the performance of real markets to improve poor people's lives. In response to this fundamental problem of discounting and time preference, we need to continue the discussion of insecurity and livelihoods with reference to prevailing approaches to vulnerability (the circumstances of the common man) and rights and correlative duties (particularly the significance of informal rights in the context of poor governance).

Vulnerability and Insecurity

It is not our purpose to simply reproduce the thinking of other recent texts on livelihoods and vulnerability in this section (see Room 2000, Wood and Salway 2000, and Loughhead, Mittal and Wood 2000 for critical summaries of recent stances). Rather, in particular, we need to make the link to insecurity. But a few presumptions, arising in that literature, will inform our position. **First**, vulnerability is not synonymous with poverty, so that the non-poor vulnerable need to be included in a pro-poor social policy. **Secondly**, therefore, we are dealing with dynamic categories: individuals and families are always in a process, somewhere along their domestic cycle, experiencing troughs and peaks of financial and other security. The WDR 00-01 refers to the transitory poor, others to poverty churning. Thus, **thirdly**, in trying to catch that sense of movement, livelihoods thinking at Bath has used the present continuous categories of: improving, coping and declining. This is not entirely satisfactory unless one is clear that we are confining these terms to an analysis of the poor, and are not seeking to apply them to people who are in non-vulnerable, secure conditions. Of course, we are all vulnerable to something: sudden loss of employment, for example. But secure people either have the skills to re-enter the labour market at reasonably similar levels, or they have been incorporated into other protective financial arrangements (redundancy entitlements, pensions, insurance and so on). **Fourthly**, the more well-known attempt to capture aspects of this dynamism has been Carney's model (1998) of sustainable rural livelihoods (SRL), which has its own roots in the work of Swift (1989), de Waal (1989), Lewis and McGregor (1993), Wood (1994), Moser (1998). The SRL has been recently critiqued in Wood and Salway (2000) for over-privileging social agency, unrealistic assumptions about poor people's social action, confusion between social capital and social resources, for having a stochastic approach to shocks as a de-contextualised rather than chronic feature of poverty, and an inadequate

account of political economy and power (similar criticisms, in effect, to those of the WDR 00-01, above).

As a counter to some of these criticisms, Room (2000), as noted above, is offering 'snakes and ladders' as a more obvious framework for understanding the dynamic 'careers' of people in contrasting trajectories of poverty: improving or graduating; coping; and declining through irreversible ratchets/traps (unless assisted by social protection in general and safety nets in particular). Although 'snakes and ladders' offers only limited additionality to its predecessors, its importance to our composite approach is:

- it tracks individuals and groups through gateways of opportunity and disaster, with some indication of what happens to them on the way (it is a 'career' approach);
- it is thus consistent with a poor actor-oriented epistemology of agency negotiating structure, characterised by hostile political economy;
- and it therefore offers a model for understanding both how people negotiate the institutional responsibility matrix, and how social policy might assist in the improvement of that negotiation--e.g. not just 'individual graduation' but 'institutional reform' passports for whole societies, with different contents and meanings for different people and situations.

The rationale for social policy in this kind of poverty scenario is assistance to people who face chronic rather than stochastic insecurity. The basic conceptual issue here is that shocks are not shocks but hazards (grateful to Sarah White for pointing this out). This then becomes the basis of a distinction between social policy as 'relief' type interventions (when shocks are shocks, whose unpredictability requires rapid mobilisation of short term response) and social policy as 'preparation' for the more predictable hazards which affect sub-sets of the population chronically. Thus 'relief' responds to situations where security has broken down in surprising ways: e.g. flash floods in Italy. But 'preparation' should be in position for the predictable hazards of flooding in Bangladesh, in a well-functioning, non-hostile political economy (i.e. one with good governance, economic growth, public revenues and policies of re-distribution via state instruments). This notion of 'preparation' is thus directed at improving the capacity of poor people to negotiate their institutional landscape, which features hazards more significantly than it does shocks. It consists of the creation and maintenance of security, especially when that security is predictably threatened by life-cycle events.

So, we have social policy in poor countries as essentially comprising: preparation; improving negotiating capacity; and the creation and maintenance of security in the context of hazards. And to this, we must add two other dimensions: the prevailing context of rights; and the significance of the household unit as a security provider over time--a variable, itself determined by the surrounding character of rights and the corresponding performance of institutions outside the household (either elsewhere within the family, more broadly defined with recognisable moral content, and beyond into 'community', market and state, with global attributes). This moves our discussion from the circumstances of the common man at the social level of reproduction, production and exchange to those circumstances affected by the problem of governance: i.e. the whole question of rights and correlative duties.

Rights and Correlative Duties

Thus alongside the phenomenology of insecurity and risk aversion/avoidance, cognitive maps include ideas about rights and entitlements, which reside deeply at different levels of community and kin. The key question for poor people in poor countries is: do rights and entitlements reside securely elsewhere in the IRM? This is the key to evolving a definition of social policy in a developing country context. Where do rights come from in the state and market arenas, especially in the context of the peasant analogue and associated, widespread socio-political clientelism? In short hand: is a *gemeinschaft* rather than *gesellschaft* basis of rights possible? We believe it is, and has to be, in the context of poor governance, non-legitimate states and political insecurity.

For the market, we have the classic debates between Scott (1976), Granovetter (1985) and Platteau (1991), and now Putnam (1993), Fukuyama (1995) and dozens of others, about the capacity of emerging societies to evolve moralities of exchange, and therefore trust, **beyond** face to face, personalised transactions with perfect information **towards** generalised exchange between strangers under conditions of imperfect information. Clearly the issue of rights and entitlements in the market incorporates a notion of fairness into the relationship between scarcity, quality and price. And as we know from Sen (1981), the principle of fairness can break down catastrophically for the poor, as sudden scarcity, whether real or manipulated, dominates the exchange equation. Under such conditions, there are no 'moral economy' restraints to speculation or concern over disastrous outcomes for some, since there is a low level of moral proximity between the gainers and losers in distant markets, as entitlements collapse. So, rights in markets beyond those circumscribed by the moral economy are contingent and precarious. The prevailing political conditions of insecurity in many parts of Africa reflect such fragility. But in the peasant analogue, applicable to other parts of Africa as well as South Asia and other poor regions and pockets, significant proportions of poor people have significant proportions of their economic transactions within more localised, moral arrangements where a residual sense of fairness persists and therefore rights to entitlements exist.

As already discussed, in the welfare regime approach to social policy, the amoral market, producing unsustainable outcomes for poor people, is compensated for by the state: residual in the 'dualist' liberal regimes; targeted in the conservative; and universal in the social-democratic. We have already critiqued that position as a de-contextualised view of the state, benignly de-linked from the morality of the prevailing political economy. It is a position that does not pass the permeability test. It thus constitutes a narrow, interventionist and naive, account of social policy. No-one, for a long time, has seriously confined social policy only to the activities of the state. The means have to be extended. This is *a fortiori* even more so in societies where questions about the legitimacy of the state are combined with critiques of democracy and governance. Within development political science (or development administration, as it was called for a long time) there are real dangers of ethnocentric argument, which have been challenged in the past by a wide range of 'Third World' political leaders, especially from Africa, such as Nyerere and Kaunda. The contemporary critiques of democracy and governance have a strong *déjà vu* feeling for the generation of us who were there before in the 60s and 70s. It is difficult to sustain a universalist account of formal rights and citizenship, based in effect, upon Western liberal philosophy in societies where even the incorporationist version of civil society was underdeveloped through colonial behaviour. Nowhere more so than in Africa.

Thus the idea of rights emanating from the legitimated state, serviced by intermediary organisations (social capital in the Putnam sense, 1993) constituting civil society, is almost laughable as a responsible description of the evolution of political institutions of power and authority in sub-Saharan Africa. South Asia evolved differently, with respect to civil society, with a longer and more educated basis to an organised critique of the colonial state, alongside

an incorporated set of intermediary institutions. But even in South Asia, the tradition of an expected set of rights defined by the state, realised and maintained through civil pressure, is much stronger in contemporary India than its neighbours in Bangladesh and Pakistan.

All this is to observe that the idea of rights enshrined in the state remains a weak and contestable phenomenon in the cognitive maps of social actors. Rights have a tenuous position in the state and market arenas of the domestic IRM, and thus limit severely a view of social policy as state intervention, or 'remedies by the state'. Even looking for that position commits the sin of ethnocentrism and ignores the real history of actually existing social capital instead of the one foisted onto such countries by contemporary modernisationists. The fact that people may be in a prison does not prescribe, unrealistically, the form of escape.

Our social policy agenda thus has to be sensitive to variation in means because this is where the contextualisation applies, even if we continue to accept that a universal approach to the definition of rights and needs can be upheld, as Doyal and Gough would argue (1991) as well as the HDR 2000 (UNDP 2000). Given such an approach to rights, where do they actually reside most securely in the minds of social actors in poor countries? Where are the universal rights and needs most nearly provided for in the domestic, and sometimes globalised, IRM? If the domestic state and market domains continue to be problematic, then clearly we have to look to the 'community' and household domains.

Before exploring these further, there is a logical point to be made. It is axiomatic that we cannot conceive of society without some established acknowledgement of need, and a notion of rights to ensure the meeting of need. In other words, rights and perceptions of need have to reside somewhere to fulfil the conditions for calling a collectivity of people 'a society'. Otherwise, we are only looking at anarchy and war; i.e. such a state of insecurity that no-one's interests can be met, so that there is no reason for that particular collectivity to exist. Bevan (2001) gets close to that position when being pessimistic about Africa.

Outside the domain of the state and therefore law, such rights and entitlements are usually referred to as 'informal' in contrast to formal. Within the overall presentation of the IRM, the alternative institutional domains to the state and the market have been designated as 'community' and household. There can be many ambiguities in terms such as community and household. Both are heavily contested terms. 'Community', for example, can stretch from imagined ones (Anderson 1983) to closed, locational and residential ones, with other variants in between. Some communities can be more moral than others (Bailey 1966). They can be characterised by reciprocity and hierarchy, sometimes simultaneously. For social actors, the experience of community is variable, according to circumstances of conflict and unity, of fission and fusion. In other words, they are fluid not fixed, and our understanding of them has to depend upon an actor-oriented epistemological perspective. Sometimes, the construction of community reflects kin structures, thus blurring the distinction between community and household. Indeed, we have preferred the term 'household' over 'family' precisely to enable kin relations to appear under a community heading, while reserving the term household to refer to much closer, hearth-bound, interdependencies and senses of responsibility. Thus, within 'community' we can include clans and lineages which offer social actors crucial identities as well as the social frame within which rights of allocation of scarce resources occur, such as land, water, access to pasture, places to build homesteads, and so on.

Kin dimensions of community also offer a key basis of 'membership', and with membership goes rights, which are connected to prevailing presumptions about needs and entitlements. To lose 'membership' is to be excluded. People lose membership under various conditions: migration; re-settlement; urbanisation (until 'membership' is regained, or re-established); failure to conform or perhaps contribute; being elderly or infirm (e.g. in the West); being cast as a minority in the context of larger-scale events (e.g. Jews in Germany in the 30s and 40s); or being outcasted in various ways in South Asia and Africa.

Apart from the usual list of scarce resources associated with the peasant analogue, such as land etc., what kinds of needs are usually recognised, with corresponding supporting rights (or ideology)? The purpose of this question is to identify the extent to which the transferred notion of 'social policy' extends this 'usual' list by implicitly rejecting the peasant analogue as an adequate definer of needs and rights in the modern world. This extension may partly refer to an improved quality of basic needs, consistent with the peasant analogue, such as food security and sanitation; but crucially it also refers to the development of people's talents, aspirations, cognitive maps and therefore opportunities beyond the peasant analogue. From the welfare regime perspective, this is where Room's 'de-commodification for self-development' applies (Room 2000).

In other words, should we define social policy as 'moving the agenda foreword' for poor people in poor countries by a combination of improving present conditions attached to the peasant analogue, as well as a process of self-development that moves poor people away from the peasant analogue, where it is clearly no longer sustaining them? For example, the landless men and women of Bangladesh, for whom crucial aspects of the peasant analogue no longer apply? If so, then we need to understand what appreciation of needs, and supporting sense of rights, currently obtain.

Let us take an extreme example. That is: 'extreme' to us Westerners, but also capable of raising the eyebrows of others in Northern Pakistan. Women in Kohistan suffer from Vitamin D deficiency due to culturally induced non-exposure to the sun. Their bone strength deteriorates quickly in their twenties after several pregnancies. They develop gynaecological complications, which not only undermine their quality of life, but threaten it. What are their rights, since their needs seem to be clear? Very limited, when males argue that the cost of visits to health clinics/hospitals compares unfavourably to acquiring a new wife. Neither the household or the community offer any kind of security; there is no market freedom for women to purchase curative care; and the state simply does not operate in such an area. Even within the peasant analogue, as recognised by other peasant societies elsewhere (even close to Kohistan), basic needs are not acknowledged.

Let us now take the condition of men in the same society. Outsiders, especially feminists, might hold the men wholly responsible for the sad condition of their women. This must be partly true, even from the most relativist of analytical perspectives. However, it is reported by men from the region that @ 60% of young men (certainly of marriageable age) dare not go out of their homesteads after sunset for fear of feuding reprisals; that a resolution of inter-family conflict involves a man taking a women/girl as a wife from the opposing family's near kin; and that for a man to treat his women with respect, as defined locally, requires extreme *purdah* without which the man himself has no honour locally. Without honour there is no membership, and without the latter, no rights for either the man or his women. Wives and daughters are then at risk from more predatory interest, and further rounds of feuding ensue. What is the process by which social policy extends the rights of women and men, under these conditions, let alone moving the agenda onto self-development? It would require confrontation with the locally powerful *mullahs* who define the present ideological agenda, that is the prevailing definitions of right and wrong, or, in other words, rights.

Clearly this is an extreme, though real, example. But it helps to reveal contexts more subtle than this, but which nevertheless contain the basic challenge to the extension and formalisation of rights and a recognition of the power (and, by some reckonings, limitations) of the informal ones. Within the political economies of poor countries, especially in the poorest ones of S.Asia and sub-Saharan Africa, what general informal rights pertain? Given the vested interest of the rich in the prevailing structural inequalities, we need to distinguish between rights through hierarchical relations and reciprocal ones.

Rights through **hierarchical** relations basically operate within relations of adverse incorporation and clientelism. They can be classed more as welfare ones than developmental. That is to say, clientelist relations will offer relief but rarely invest in the long term security of others through for example education or capital transfers on easy terms. Relief or welfare transfers, for example through tied labour, long term debt or interlocked tenancy agreements, occur in return for loyalty and other 'dependent' favours which contribute to the reproduction of the initial inequality. Such relations are as likely to occur between close kin as between others more distant.

With market penetration and a widening of economic opportunities, the shrinking of moral ties further reduces the sense of responsibility for others, especially at the community level. Indeed, with the ideology growing, in the minds of the rich, of interdependent markets and states, the sense that poor people are the responsibility of government grows and community level rights about welfare correspondingly decline. At the same time, especially in rural contexts, community leaders/elders and stronger classes are reluctant to see whole poorer families or poor relatives completely outcast or cast out. Where, in Northern Pakistan for example, access to common property remains an important part of the family livelihoods portfolio, then those unable to fulfil the conditions for membership are often assisted to that effect: for example widows and the elderly or infirm (including mentally).

Other basic needs rights might also be guaranteed locally:

- allocation of homestead land;
- allocation of agricultural and pasture land (where the community or extended kin group traditionally disposes);
- access to drinking water (but much less so to irrigation water);
- access to materials (wood and mud) for building construction;
- access to fuelwood or peat; access to wild fish stocks and forest products (i.e. gathering and hunting rights);
- a share in communally engineered new land (via forest clearing, new irrigation channels, and feeder roads opening up new physical access);
- and access to primary health care and even education facilities possibly with some means tested adjustment to expected cost recovery.

Where the provision of these rights, in the sense of correlative duties to honour them, are hierarchical via the collectivity of richer, dominant families in the community, then we might imagine a collective version of adverse incorporation, where there is a strong expectation for poorer, aided, families to express gratitude by not challenging the basic arrangements of the political economy which reproduces the poverty in the first place. In this way, we observe institutional and plural clientelism at the community level, alongside the more private, individualised form which emphasises intense personal loyalties and dependencies. Thus we have collective and individual patronage, with the former offering more long term security than the latter.

Rights through **reciprocal** relations can be problematic in other ways. Basically rights offered and guaranteed by those with little power in the society or local community are not worth much in longer security terms. Thus the poor do not have much to offer each other beyond very micro, immediate transfers plus sympathy. However, such a dismissive remark needs to be qualified in at least two opposing directions. First, reciprocal relations, offering rights, between the poor are further limited by the structural conditions of poverty which place the poor in competition with each other for scarce resources, including those social resources of patronage. Solidarity is not necessarily natural. But secondly, movements to build solidarity among the poor have precisely emerged from the interrelated analysis of structural inequality and the need to overcome the 'within poor' competition that results from it. Such movements

intend to create the social resources for the poor that are naturally lacking, and thereby contribute to the formation of social capital (i.e. institutions) more conducive to their long term interests. Proshika in Bangladesh would be a good example of this approach.

So reciprocal relations can be enhanced, and this has to be a major ingredient of any poverty focussed social policy in poor conditions. However, it is these socio-political characteristics of poverty, as revealed through the discussion of rights and correlative duties, which have to be interwoven into a conception of poverty relevant social policy.

Peasant Analogue, Clientelism and Challenging the Meso Domain of the IRM

Given the prevailing conditions of uncertainty and insecurity, which reflect a lack of confidence by the common man and woman in states and markets and the resort to 'community' and household, albeit under various types of adverse conditions, we have to return, heuristically, to the principle of the 'peasant analogue' and clientelism. Once we do so, we see, amongst other things, the significance of the inter-generational transfer processes of welfare to deal with present insecurity and investment in capacity to deal with future insecurity. And we also see the significance of informal rights in the absence of formal governance.

This must make us wary of the de-familialisation and the de-clientelisation alternatives to de-commodification, since both 'families' and 'the rights of adverse incorporation' represent key lifelines, and indeed key aspects of social inclusion. While recognising that households are gendered, and sometimes non-altruistic along gender lines, they continue to represent the most reliable retreat option for most of their members and hence security over time. The inter-generational bargain is acted out more strongly at the family level when other institutions cannot be trusted. As the basic elements of security within the peasant analogue (i.e. secure usufruct over land as the principal means of production and own consumption), steadily disappear as economies transform, so the hazards of land management under low technological conditions are replaced by the hazards of amoral labour markets. The common man (and woman) increasingly face, instead, the hazards of globalised market conditions (i.e. adverse terms of trade, shifting comparative advantage, currency fluctuations and an enlarged reliance, for some countries, upon food imports). However, it is important to acknowledge that the reliance upon the household does not simply disappear under these conditions. Hence the peasant analogue, as a guide to perception and behaviour in relation to insecurity, takes a long time to fade, precisely because of the untrustworthiness of the remaining elements of the IRM.

By adopting this perspective as a 'reality check', we can also assess more critically the impact of certain prescriptions as they occur within global and universal rights agendas. Let us go the heart of the matter: marriage as the essential *rite de passage* in the reproduction of the immediate family (household) and therefore security. The universal rights prescriptions, with a strong emphasis on liberal concepts of freedom and moral individualism, raises questions about child betrothal, arranged marriages, dowries and control over sexuality as refuting the fundamental rights of choice for girls and women. Without over-elaborating the point here, each of these marriage practices can be seen as essential to the rationality of the peasant analogue in the context of the uncertain IRM. Without such practices, the security of all individuals within the household are threatened. With them, hazards are minimised, especially at later stages in the life cycle when inheritance becomes a key inter-generational transfer issue.

With urbanisation and other aspects of the proletarianisation of labour, some may argue that the peasant analogue recedes in significance thus permitting a weakening of reliance upon inter-generational transfers within the family and, consequently, a more justified intrusion of

a universal rights agenda as a corrective function. But such assumptions presume a social replication of rich country labour markets in poor countries, whereas what we observe is a peasantisation of cities (Roberts 1978) through the characteristics of what others have termed the informal sector.

Clientelism and adverse incorporation are key aspects of peasantisation and the informal sector. But clientelism extends well beyond economic relations into social and political ones as preconditions for physical and material security. While I characterised the whole of Bangladesh as a prison in this respect (Wood 2000), we have to be wary of simply advocating de-clientelisation as the process of escape. Ultimately it must be, even if I stand accused of ethnocentric modernity. However the transition must be defined so as to avoid cutting the poor off from their present institutional lifelines without adequate substitutes. To continue the metaphor, if escapees or released inmates have nothing to go to they quickly become recidivists--which is probably as good a description of the turmoil in Russia and FSU states as any.

This leads onto another observation about means. The emphasis in this paper has been on institutional failure in the state and market arenas of the IRM, with adverse incorporation and clientelist problems elsewhere interacting with the metaphor of the peasant to represent the common man, in the absence of pervasive, formal sector, labour markets. This combination of conditions severely constrains some of the classic instruments of social policy. The instruments for engaging with the needs of people as atomised individuals in formal sector labour markets are not applicable for dealing with needs of people characterised by the peasant analogue. In formal sector labour markets, the principle of incentives through altering the price of things and services can operate more strongly. Policy can therefore be far more fiscal on both the demand and supply side. It can operate either within the loop of the state via tax revenues and direct employment of service providers (like social workers, teachers and health staff); or within the quasi market via targeted subsidies to enable the poor and needy to purchase services from private sector providers; or through tax relief as an incentive to invest in financial markets for old age security or educational trusts for one's children, or even to purchase elite services beyond the state's basic, direct provision in the health, care and education sectors. And of course to remind ourselves, in the West, such policy is basically residualist and concessionary--more about alleviation than eradication, and committed to a retention and reproduction of the capitalist market as is. That is to say, it is about compensating for the market, improving it as a vehicle for livelihoods, but not destroying it.

In contrasting countries, the weakness and partiality of market penetration denies efficacy and coverage to fiscal instruments. The relation between the state and people in poor countries with agro-pastoral, feudal, and colonial histories has always relied heavily upon intermediate institutions, which deliver limited services in return for loyalty and quiescence. This is the meso domain, referred to earlier in the paper. In the context of the peasant analogue, the problem is that this meso domain is occupied by highly problematic elements of the IRM, broadly performing the functions of adverse incorporation--where time preferences clash with social capital. At best, these intermediate institutions might be regarded as incorporated civil society, performing hegemonic duties outlined by Gramsci. At worst, they are mafia-type, clientelistic social arrangements, acting out prevailing class relations and power at the local level with the outcome of entrapping the poor into short term security at the cost of their own long term, personal development.

Thus, since social policy, almost by definition, cannot engage with the common man or woman under these conditions via fiscal instruments, so it has to develop other passports and buffers for the poor (as collectivities not just graduating individuals) via institutional reform. Since this cannot be done top-down, both because the inclination to do so cannot be assumed in a hostile political economy, and because rights given are worth much less and are much less secure than rights gained, the focus upon support for agency and social movements/action

has to be much stronger. The presently problematic intermediate institutions, currently occupying the meso domain of the IRM, therefore have to be challenged as a precondition for extending support to poor people. That is, the means and instruments have to be different from the fiscal ones of welfare regimes. Some examples follow below.

A obvious example is microfinance which challenges the banking sector (see Sharif and Wood Eds 2000) and can offer welfare support (small loans and savings for liquidity management and consumption smoothing), as well as development opportunities through deepening with larger scale finance, connected to wider capital markets, even global ones. Another is land reform, including urban tenure rights, but this has to rely on mobilisation for social agency as in West Bengal, not just legislation. Another might be public-common property partnerships for sanitation and clean drinking water. Another has been the highly pragmatic work of SEWA in Gujarat, India on labour standards. Another has been to challenge local municipalities not to evict without replacement. Another has been drop-in centres for female victims of violence, organised by a very local NGO in Gilgit, N.Pakistan. Another has been the widespread introduction of non-formal primary education in Bangladesh by BRAC, Proshika and others as a challenge to the state education service. Another has been the development of labour contracting societies of poor people to circumvent the corruption of local contractors and local government engineers in collusion to defraud the state and the labourer. Another has been to enter product and service markets with higher productivity technologies than those offered by traditional microcredit. There are many other examples of the under-performing meso domain which can be challenged, deploying agency, social movements and social action which do not expose the poor to the organised repressive retaliation of the state and its privileged beneficiaries. What they have in common, ironically, are pre-existing notions of membership (and therefore rights and entitlements) derived precisely from 'common law' assumptions about inclusion in relationships of reciprocal and hierarchical rights. For the hierarchical rights of adverse incorporation, these challenges to the meso domain of the IRM might be termed the 'judo' approach: using the strength of your opponent to prevail.

Conclusion

This paper has argued that neither the weak (political settlement) nor strong (de-commodification) versions of the welfare regime can appropriately be applied to conditions prevailing in the poorest regions of the world, such as countries in South Asia and sub-Saharan Africa, although it might have much more validity in other regions. The poorer regions of the world do not comfortably conform to the two key assumptions upon which the OECD model of welfare regime relies: a legitimate state; and a pervasive, formal sector labour market. This immediately sets up the two key interactive issues of governance and the socio-economic circumstances of the common man (and women). These circumstances have been understood through the metaphor of the peasant (to capture the significance of reproduction, family and household level inter-generational transfers) and the analysis of clientelism as pervasive adverse incorporation (comprising hierarchical rights, meso level intermediation with the national level polity and economy, and quasi-public goods social capital). These political, economic, social and family dimensions have been brought together, for policy analysis purposes, as the institutional responsibility matrix with global as well as domestic dimensions. These four institutional domains are seen as permeable, which can have positive or negative outcomes for different societies. The world's poor regions are characterised by negative permeability in which the level of personal objectives penetrates the level of public aims to produce poor governance and insecurity for the majority of their populations by removing the corrective principle. Only partial compensation is offered by global discourses, conditionality and debt remission leverage. The problem of insecurity thus looms large in the analysis, with a focus on its implications for time preference behaviour at the level of personal investment as well as social. Indeed the time preference behaviour of the

poor is seen to clash with the creation and maintenance of long term social capital and improvement of governance--a Faustian bargain of dysfunctional structuration under conditions of no exit, little voice and tainted loyalty.

Faced with this scenario, the paper has argued for a 'poor' actor-oriented epistemology, which emphasises how the poor negotiate a complex, and hostile institutional landscape dominated by severe inequalities of power which reproduce their poverty. This position entails a view of the state as not impartial but working for dominant classes and segments, including a bureaucratic and political class, which sees state control as a crucial means of their own accumulation and reproduction. Since this is a familiar view of the state, it is obvious that social policy as a discipline derived from critical sociology does not rely upon a benign, liberal, pluralist view of the state. Thus the issue of 'governance' as contemporary 'development-speak' is intrinsic. Hence the paper's title: 'governance and the common man: embedding social policy in the search for security'.

This is why any social policy of poor countries very quickly moves onto the agenda of 'civil society compensating for the inequities of the state' instead of the OECD welfare regime principle of 'the state compensating for inequities of the market'. But given the inherent problem of the state, and the issue of permeability, there cannot be a naïve optimism about the role of a 'progressive' civil society as a compensating for the state. The reality of poor country political cultures is that we have to distinguish between civil societies (i.e. in the plural): between the Gramscian civil society incorporated into the elite project of unaccountable state power; and the critical civil society. However, the critical civil society is never completely autonomous of prevailing culture and permeability (because it consists at best of renegade elites with personal positions to defend and reconcile with more radical, critical agendas--the tense relation between personal objectives and public aims again-Devine 1999).

Thus social policy, from an actor-oriented perspective, has to include struggle and movements, i.e. collective action which has impact, maybe only incremental, upon the institutional landscape itself to secure a formalisation of informal and precarious rights. Such social action can be distinguished from approaches to social policy which emphasise the creation of enabling environments (by whom?) within which individual action for graduation can occur. That 'methodological individualism' is again premised upon the notion of the liberal, pluralist state, acting as a compensator so that individuals can invest in their own human capital development (de-commodification for self-development). Methodological **collectivism**, on the other hand, is a structuration process in which the potential instruments of policy are themselves reformed through large-scale political action.

How can one conceive of social policy, in such societies where the issue of governance is central, in any other way? Social policy, as practice, has always (and must definitionally) reflect political settlements. The point is whether such settlements, when they work against the poor, can be de-stabilised? But is it always a zero-sum game between classes? Although OECD social policy does rely heavily upon the concessionary principle (viz. elite dominated states recognising the costs of not making concessions to an increasingly organised working class), it has also been acknowledged that economic elites had increasing interests in the development of a skilled and educated labour force to manage technological advance, including the organisation of industry itself (i.e. management roles). That was how apartheid was eventually undermined in SA, by the expanded reproduction interests of white capital.

Thus, in the context of globalisation, we should not presume a zero-sum game clash of interests between a global rights discourse and poor country, domestic economic elites. Much of the global social policy agenda is about universalising rights and creating level playing fields, as if domestic resistance is to be expected. Yet, there has been insufficient consideration of national level elite interests in creating an educated, skilled labour force,

which sees itself as committed, therefore, to the capitalist project (a labour aristocracy?) as in Taiwan, S. Korea, and especially now in India with its neighbours nervously adopting similar ideas (witness these moves in the Ministry of Science in the Government of Pakistan). Indeed, these were classic, anti-communist strategies supported strongly by the US from the end of the second world war. The rural equivalent has always been about creating petty landholders (petty commodity peasants) to offset the communist mobilisation of disaffected, expropriated rural labour—hence land reform as a long established instrument of social policy: i.e. giving some classes of poor people a stake in the elite project. Thus we have social policy, under these circumstances, as essentially incorporationist.

Certainly this kind of win-win political settlement (though beware the many who continue to be excluded) prompts a need to distinguish between types of countries, as indicated early on in the paper. In countries where industrialisation, urbanisation, and development of an off-farm, formal sector labour market is stronger as in parts of East, SE Asia and Latin America, then the political settlement is more likely to resemble the OECD ones. This would consist of extensive social insurance for the employed, social investment in the form of welfare to work for the 'graduating' poor, and targeted safety nets for the socially excluded (see the SPDC papers by Gough and Barrientos). All this is premised upon the welfare regime assumptions holding, and sometimes they do not as in the Asian financial crisis and its continuing political aftermath.

However, this paper has focussed, conceptually, on poorer societies: where the incidence of poverty is highest; where the agrarian basis of poor people's livelihoods remains dominant; and where the peasant analogue applies more strongly (even in conditions of significant rural labour, with labour retaining peasant psychologies and cognitive maps), characterised by risk aversion under conditions of high insecurity (i.e. much of South Asia and Africa). The prospects for win-win political settlements under these conditions are more remote. The political economies are just too hostile to the poor, with everyone desperately searching for security (Wood 2001, forthcoming) through the pursuit of personal objectives rather than public aims.

Under these conditions, the action agenda has to be different: less incorporationist, more oppositional. But at the same time, we have to remember that various factors operate to foreclose more ambitious individual and collective action: the discounting behaviour of the poor; short term liquidity management; the uncertainty of the future; and the acceptance of adverse incorporation and clientelism (as the predominant form of non and pre-commodified economic relations). But we cannot naively look to benign others to overturn this. What changes such time preference behaviour?

In a resource profile framework, emphasising the mutual interdependence of different sets of resources (material, human, social, cultural etc.), which set of resources is key, in the sense of altering the status and functioning of the others? It might be individual, self-development via education and vocational training in some circumstances (parts of East and South Asia). It might be overcoming adult male morbidity in others (e.g. urban Bangladesh). It might be social action around common property management in N.Pakistan. And it might be struggle based social action on wages, rents or family law in rural India. And so on. In other words, more social policy needs to be based on a 'horses for courses' approach, rather than assuming a universal agenda everywhere. Not everyone's basic needs are the same, because the jugular problem for them is not the same. Thus a 'holistic' approach is about recognising interlinkage of variables, and identifying, among the non-idiosyncratic co-variance, which is the key entry point for **whose** action.

The point about 'whose' action does not therefore presume the state (of course! given negative permeability and problematic governance). It does not presume countervailing forces in the civil society. It does not presume the poor themselves either as individuals or

collectively (trapped as prisoners in adverse incorporation). It does not presume the efficacy either of aid or universal discourses about rights. And it certainly does not presume technocratic responses. What it does presume is a meso approach to understanding the room for manoeuvre for action in context: which actors and what agendas will vary according to meso context. We could say 'micro', except that we are ruling out micro (methodological individualism) as mainly insignificant under conditions of hostile political economies.

Thus, this paper concludes with re-emphasising the need to understand three processes. How different groups and classes negotiate problematic institutional landscapes (the IRM, appropriately globalised)? What they can get out of existing political settlements (the access, participation agenda)? And how their social action can effect changes in that landscape to offer more security in the future (the political action/struggle agenda)?

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