

Welfare Regimes: Linking Social Policy to Social Development

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Introduction

Given the ongoing problems of reaching the Millennium Development Goals, and widening global inequalities (UNDP 2002), threats to everyone's welfare are increasing, even for the wealthy. In parts of Africa especially HIV/AIDS, famine and war generate intolerable levels of human suffering. In more successful parts of the developing world, rapid capitalist development, which has contributed to the erosion of absolute poverty, has simultaneously heightened insecurity and vulnerability. New risks, threats and uncertainty challenge subjective and objective well-being. This is not to claim that managed development and growth cannot improve human welfare – it clearly can and has done so in much of East Asia for example. But it is to recognise the new hazards of insecurity (ILO 2004) and new challenges to well-being, alongside pre-existing ones, in what is essentially still an unregulated international politico-economic system.

Here we develop a new conceptual framework which demonstrates the need for a wider range of institutions than normally appears in social policy discourses to secure welfare in poorer countries under contemporary global conditions. Notwithstanding the unifying and converging forces of global capitalism, we emphasise the variegated and path-dependent patterns of development or underdevelopment across different zones of the world. This builds upon a middle-range theory of 'welfare regimes', which opposes both teleological or functionalist approaches (both modernisation and Marxist) on the one hand, and post-modern approaches emphasising uniqueness and diversity on the other hand. A distinction between universal goals and context-specific means leads us to reject 'one size fits all' policy solutions to poverty eradication, whether from the radical Right (unregulated market capitalism), the radical Left (Basic Income) or the fashionable reformist Centre (participation and 'good governance'). In contrast we contend that social policies must reflect the particular circumstances of a country or region's welfare regime.

In pursuing this exercise of extending social policy ideas into a development discourse, we identify the essence of social policy principles as they have evolved in the West and ask what adaptations to theory are required to produce a more genuinely global yet comparative framework of analysis. Of course, any comparative analysis has to be sensitive to the history of difference between different sets of countries as determined by the era of colonial relations and the corresponding variance in the formation and purpose of public institutions. Even in some areas not formally colonised, the combined and unequal organisation of the global political economy has reproduced very different sets of conditions and expectations, with reference to security on the one hand and the respective responsibilities of the state and non-state institutions on the other.¹

The experience of poorer countries in the South, and now among transitional countries, reminds us of the centrality of personal and family level security as key to a sense of well-being and as a universal human need.² Outside the West this is more starkly observed as a fundamental driver of human survival behaviour both individually and collectively. It is more starkly observed precisely because the formal institutional frameworks for the provision of security are so precarious and fragile, if not absent altogether. The legitimacy and governance of public institutions are too contested and personalised to guarantee long-term rights to those groups in greatest need. As a result, people have to engage in wider strategies of security provision, risk avoidance and uncertainty management. In Doyal and Gough's (1991) language, the 'need satisfiers' are necessarily much more diverse, and certainly not derived only

¹ Cf Therborn (1992) on the four paths to modernity.

² Wood (2001) would offer 'security' alongside Doyal and Gough's (1991) 'autonomy' and 'health' as a universal human need. For them it is an intermediate need contributing to these basic needs.

from the state. This is where the knowledge derived from poverty-focussed studies in poor countries questions the institutional assumptions of western social policy.

The Argument

In accepting certain facts about globalisation, we are essentially settling for a principle of social capitalism, or mixed economy capitalism. Neither markets, nor states, nor communities alone can provide an adequate framework for meeting human needs (Gough 2000, ch.2). Political economies which mix these three principles within a democratically governed polity provide a more sustainable and flexible framework for enhancing human well-being. Accepting global reality for the foreseeable future entails that this mix will operate within a framework characterised by extensive private property, in other words a capitalist framework. However, capitalism needs to be regulated in order to achieve equitable social objectives and secure welfare outcomes for all. This has been and is a major rationale for Western social policy and Western ‘welfare states’. Yet how well does this apply under conditions of peripheral capitalism, low levels of development and absent or partial commodification³? This question represents our key point of departure for analysing the relationships between the institutional options for poverty eradication in different sets of socio-economic conditions within the global political economy.

In order to capture these different sets of conditions, we modify Esping-Andersen's (1990, 1999) concept of welfare regimes (Wood 2003b, Gough and Wood 2004). We generalise the relationship between different institutional domains into a series of distinctive welfare regimes. The concept of welfare regime contains four 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.⁴ Second, it denotes a process of de-commodification through state action – a measure of protection against total dependence on market forces. The OECD countries vary greatly here. Third, the concept denotes the ways in which states, markets and households interact in the provision of welfare – the welfare state is embedded in a broader ‘welfare mix’. Fourth, in these circumstances social policies not only reflect but produce and reproduce stratification outcomes. In this way social policies shape political divisions and alliances and, usually, reproduce them through time in a path-dependent way. On the basis of the last three dimensions, Esping-Andersen distinguishes three welfare regimes in the OECD world: liberal, conservative and social democratic.

Figure 1. The Three Worlds of Welfare Capitalism

	Liberal	Conservative -Corporatist	Social Democratic
Role of: Family Market State	Marginal Central Marginal	Central Marginal Subsidiary	Marginal Marginal Central
Welfare State: • Dominant Locus of solidarity • Dominant mode of solidarity	Market Individual	Family Kinship, Corporatism Etatism	State Universal
Degree of de-commodification	Minimal	High (for breadwinner)	Maximum
Modal Examples	USA	Germany, Italy	Sweden

Source: Esping-Andersen (1999), Table 5.4.

³ That is: well-developed markets as the basis of opportunities and accumulation.

⁴ This feature poses immediate problems for the biggest developed country of all – the United States – where 40m lack health insurance and two million, mostly poor and black, are in prison. Is this a welfare state or a ‘carceral state’?.

The liberal regime reproduces itself through a dualist politics separating the core workforce provided by public and private insurance from the poor, the objects of narrowly targeted residual benefits; the conservative regime through a strong ideology of subsidiarity including family level responsibility via strong generous public support for key earners/providers; and the social democratic regime through a universalistic politics and citizenship-based benefits. In effect, each regime adopts a different approach to authoritative labelling of both the causes of poverty and thus the case for receiving social protection, reflecting ideological variation in basic political settlements between dominant and dependent classes (Wood 1985).

We continue the earlier practice of Esping-Andersen in referring to these as welfare *state* regimes, embracing the centrality of the state as the key actor in social policy and social protection, albeit with variations across his three worlds: liberal, conservative and social. Thus the underlying framework for a welfare state regime embodies capitalism, the reproduction of inequalities through the market, a high degree of formality in the labour market permitting the de-commodification principle, and positive permeability⁵ between elements of the institutional landscape. This is summarised in Figure 2 below.

Figure 2. Welfare State Regimes: the underlying framework

	Welfare State Regime
Dominant Mode of Production	Capitalism: technological progress plus exploitation
Dominant Social Relationship	Exploitation and market inequalities
Dominant Source of Livelihood	Access to formal labour market
Dominant form of political mobilisation	Class coalitions, issue-based political parties and political settlements
State form	Relatively autonomous state
Institutional Landscape	Welfare mix of market, state and family
Welfare Outcomes	Varying degrees of decommodification plus health and human investment
Path Dependent Development	Liberal, conservative and social democratic regimes
Nature of social policy	Countervailing power based on institutional differentiation and positive permeability

None of these features can be taken for granted in development contexts. There is not the space here to describe and explain the manifold differences, but table 3 below summarises the key divergences between what we call *welfare state* regimes, *informal security* regimes and *insecurity* regimes (Gough and Wood et al, 2004, part I). In this way, we offer a framework for comparative analysis, which enables different regions of the world to be broadly classified into different families of regime. Thus 'welfare regime' is at the apex of our conceptual hierarchy. At the next level, we identify three distinct regime 'genuses': Esping-Andersen's original welfare state regimes, informal security regimes and insecurity regimes. The latter two embrace extensive non-state as well as state institutions in the reproduction of security and insecurity, and acknowledge the wide and varied experience of peripheral capitalism.

Within each of these there is the possibility of identifying different 'species'. As described above, within welfare state regimes, Esping-Andersen distinguishes three: liberal, conservative-corporatist and social democratic. The concept of informal security regimes *per se* refers specifically to exemplar conditions as found South Asia, though we see variants in Latin America and East Asia, while insecurity regimes reflect conditions found in parts of sub-Saharan Africa and elsewhere. This is as far as we go for a typology in this paper.

⁵ See Wood (2000), and the next section in this article. 'Permeability' refers to the interdependent operation of institutions like the state or the market, with respect to rules and moralities, and whether this interdependence is positive or negative with respect to welfare outcomes for the disadvantaged.

Figure 3. The Comparative Welfare Regimes Framework

	Welfare State Regime	Informal Security Regime	Insecurity Regime
Dominant Mode of Production	Capitalism: technological progress plus exploitation	Peasant economies within peripheral capitalism: uneven development	Predatory capitalism
Dominant Social Relationship	Exploitation and market inequalities	Variegated: exploitation, exclusion and domination	Variegated forms of oppression, including destruction
Dominant Source of Livelihood	Access to formal labour market	A portfolio of livelihoods	A portfolio of livelihoods with extensive conflict
Dominant form of political mobilisation	Class coalitions, issue-based political parties and political settlements	Diffuse and particularistic based on ascribed identities: patron-clientelism	Diffuse and fluid, including flight
State Form	Relatively autonomous state	'State' weakly differentiated from other power systems	Shadow, collapsed and criminal states with porous, contended borders
Institutional Landscape	Welfare mix of market, state and family	Broader institutional responsibility matrix with powerful external influences and extensive negative permeability	Precarious: extreme negative permeability and fluidity
Welfare Outcomes	Varying degrees of decommodification plus health and human investment	Insecurity modified by informal rights and adverse incorporation	Insecurity: intermittently extreme
Path Dependent Development	Liberal, conservative and social democratic regimes	Less autonomous path dependency with some regime breakdown	Political disequilibrium and chaos
Nature of Social Policy	Countervailing power based on institutional differentiation and positive permeability	Less distinct policy due to permeability, contamination and foreign actors	Absent

Of course, the reality is more complicated than such a classification (welfare state, informal security, and insecurity), in the sense that regions or countries within them can combine elements of all three 'families' within a single social formation. Thus different categories of a country's population can experience different primary regimes: some might be successfully incorporated into state protection; others reliant upon community and family arrangements; and others more excluded from formal or informal mainstream arrangements and reliant upon highly personalised politico-militia patrons, in which a sense of 'in/security' is prevalent. But within that complexity of hybrids, we are certainly clustering different countries of the world into a primary association with one of these three regime groups.⁶

Thus we retain the idea of 'regime' to refer to repeated systemic arrangements through which people seek livelihood security both for their own lives and for those of their children and descendants, as well as parents⁷. Substantively, the notion of a welfare regime embodies the relationship between sets of rights on the one hand and the performance of correlative duties on the other. The manner in which that relationship is specified is a product of history, and especially a history reflecting the interrelation in different epochs between domestic institutions and the global economy. Those interrelations

⁶ This method resembles a Marxist, or more accurately Althusserian, approach which associates a social formation embracing several co-existing modes of production with the dominant one in a particular epoch.

⁷ See Collard (2000) for an analysis of the inter-generational bargain.

circumscribe the relative autonomy and legitimacy of the state, and bring a range of non-state actors at global as well as local level into our generalised account of social policy. Thus for many societies today, rights cannot only be understood in a strict statutory sense and correlative duties will come, if at all, from domains other than the domestic state.

This variation has been crucial for our analysis. The social conditions of many societies in the South do not mimic those in the North. Their histories are different, and incomes in poorer countries continue to reflect combinations of subsistence production, informal casual employment, petty trade, remittances, sinecures, monopoly rents, and corruption alongside formal sector employment and regulated trading. In other words the subsumption of labour under capital remains to a significant extent formal rather than real (Brenner 1977). The relations of production, while serving the interests of capital locally and globally, have not been fully commoditised and have not yet attracted regulation. We might also observe that the worldwide evidence of increasing casualisation and flexibilisation of labour undermines any sense of secular trend towards the organised, formal labour markets of industrial and post-industrial societies (Standing 1999).

Adjusting the Regime Composition: Community and Global Dimensions

In Esping-Andersen's approach, notwithstanding his famous delineation of three worlds of welfare capitalism, the state is privileged as the key institutional actor – even when its role is to ‘roll back the state’ as under neo-liberal governments in the 1980s. However, to deal with the different conditions in poorer countries, we transform his *triad* of state-market-family into an *octagon*. First, we add a ‘community’ domain to the other three. The notion of community here refers to the multitude of sub-societal organisational forms, including NGOs, and the related notion of civil society. The addition of community results in what Wood (2000, 2003a) previously called the ‘institutional responsibility square’. Next, we add a global dimension, recognising that poorer countries have a greater over-reliance in all four domains upon international actors and transfers. This results in a supra-national equivalent of the four domestic components: global markets, donors and other international governmental organisations, international NGOs and other ‘voice’ organisations, and the ‘internationalised household’ - risk averting through migration and remittances, and exposed to global risk. This gives us the extended Institutional Responsibility Matrix (IRM) or Welfare Mix as shown in Figure 4.

Figure 4. The Extended Institutional Responsibility Matrix or Welfare Mix

	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

Five further points need to be made about the significance of this simple modification. First, we are explicitly moving on from a legal discourse about rights and entitlements which sees them only existing in a statutory sense with formal sanctions to ensure the fulfilment of correlative duties. Rather we are adding the possibility that for poor people in poor countries, meaningful rights and correlative duties may be found through *informal* community arrangements. Thus we offer a more sociological rather than essentially legal discourse about rights. And we also recognise that rights and correlative duties in all four domains may also become completely degraded and break down. This, alas, is the institutional reality for many of the poorest parts of the world whether in sub-Saharan Africa (Bevan 2004), or Afghanistan or the West Bank and Gaza.

Second, the notion of ‘community’ has to be deconstructed with subtlety. It is not just a reference to small scale, homogenous reciprocity. Rather it represents a wider range of institutional practices between the state and the household involving hierarchy as well as reciprocity, thus inequality and power. It also represents a continuum from immediately local and ascriptive relations (kinship groups, clans, villages and so on) to wider and purposive ones (civil society organisations, including non-

governmental organisations). In another language it represents the range of institutional practices from personal networks to more abstract social capital.

Third, the international dimension connects to all four domestic domains. Within poorer countries with high aid dependency as well as reliance upon foreign direct investment and household incomes diversified through migration and remittances, the relationship between rights and correlative duties clearly extends beyond the domestic arena and the international dimensions should therefore be included within the welfare regime. In effect the international dimension expands the risk pool within which security is sought and uncertainty managed.

Fourth, our re-specification of welfare regime departs from the OECD welfare state regime in one other way. In recognising the significance of a functioning relationship between rights and correlative duties within informal arrangements, we are in effect relaxing the de-commodification principle as the dominant instrument and measure of welfare provision. Where the state's performance in this regard cannot be guaranteed or trusted, informal arrangements in the community domain come to the fore: as substitute service provision on the one hand; and as civil society pressure for improved governance on the other. There is yet a further layer of complexity: frequently the informal arrangements within the community domain are themselves problematic, so that improvements in the relationship between rights and correlative duties are required here also. In particular, if informal arrangements within the community are characterised by patron-clientelism, then we must look to *de-clientelisation* as the basis of improving the quality of rights and correlative duties. If so, then social movements of empowerment becomes a precondition for the evolution of a statutory rights-based social policy. The central problem for poor people, of course, is whether they can risk such a process of de-clientelisation if the alternatives are unknown and uncertain. Welfare may be delivered to some extent, and perhaps only precariously and therefore insecurely, through a range of problematic state and non-state relationships.

Fifth, 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'. This in turn sets limits 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 state regime approach. Clearly there is some truth to this assumption, but this truth re-affirms permeability rather than challenges it. So, in developed societies, we might acknowledge a consistency between the publicly-espoused principles of fairness, equity, transparency and trust as they operate in all domestic institutions of the IRS. Of course people are selfish and engage, for example, in tax avoidance and cheating, but not to the point of allowing anarchy and chaos to prevail over order. It is as if people know their own predilections for selfishness in their private 'market' and 'community' domains and deliberately accept the obligations of citizenship enacted through the state domain. They accept the state because they acknowledge their own propensity along with those of others to otherwise free-ride.

The problem arises when permeability functions with the opposite effect and when alternative principles 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 and/or patrimonial. Under such conditions, how does it make sense to expect the state to disentangle itself from deep structures and function to compensate for them? As Poulantzas (1970) once put it, 'the state is a condensate of class relations'. In this situation all are prisoners. The issue is whether the prison is worth living in or not, and what functions it performs. But do not expect its west wing to 'compensate' for its east wing! (Wood 2000)

Applying the typology beyond the welfare state: informal security regimes

South Asia

In the Informal Security Regime we recognise that there is a heavy reliance upon the community and family (or broader kin) to meet the need for security. In a historical sense, this reliance is in spite of a British colonial legacy which bequeathed several states in South Asia with recognisable territories and competences. A formal system of law exists, and within India at least liberal democratic practices are also well-established. This has produced a welfare regime combination of 'stateness' (even with relative autonomy --see Alavi 1972) alongside absent or uneven capitalist development and large scale rural and some urban poverty. Under these conditions, the state has also been characterised by widespread rent-seeking and corruption. But the problem with the community and family locations in the South Asian IRM is that relationships within them are typically hierarchical and asymmetrical, and indeed patriarchal. As Wood has argued elsewhere (2003b), this asymmetry typically results in adverse incorporation (i.e. problematic inclusion rather than social exclusion) in which poorer people trade some short term security in return for longer term vulnerability by adopting forms of client dependence. This reproduces underlying patron-client relations as a stratification outcome, and functions to disrupt the arrival of civil society pressures to reform such precarious welfare relationships along welfare state lines. In the meantime, that short term security does provide certain informal rights which have more immediate predictability and reliability than formal statutory ones.

The characteristics of a South Asian informal security regime within our framework is displayed well in Bangladesh, where the global dimension of the welfare mix is particularly evident through aid and remittances, alongside community level institutions (Davis 2001, 2004). Welfare outcomes are generally poor and insecurity is endemic. The welfare mix in Bangladesh is much more reliant on family, kinship, community, local government and 'civil society' forms of welfare provision, which together establish some informal but nevertheless reasonably stable claims to low level entitlement. In addition, the foreign aid community and other bilateral and global actors, as well as significant flows of external remittance income to a sub-set of families, mediate the welfare mix in critical ways. Aid dependency brings an external discourse about rights and correlative duties into the society, offering the policy objective of a welfare *state* regime via well governed and targeted state interventions underpinned by a growing economy alongside successful agrarian subsistence. However that model is difficult to establish or reproduce under conditions of elite capture of aid and continuing economic vulnerability to volatile global markets, in which a new transparent settlement between rights and correlative duties, for example in the garments industry, cannot be realised without losing comparative advantage. This is the contradictory fix for many similar societies.

Under such conditions, deep structures continue to define the relationship between rights and correlative duties as highly personalised, segmented, preferential, discretionary and clientelist, as patrons of various kinds⁸ intermediate between the needs of poor people (shelter, employment etc.) and the imperfect institutions in the state and market domains. Patron-clientelism provides some security of welfare, but it comes at the cost of adverse incorporation – individual or collective – which blocks more radical reform and the structuring of domestic interests within a welfare state regime discourse. Under these conditions, Davis argues that there is a lack of a citizenship link between the foreign funding of development and social sector programmes and their disbursement. Moreover, a key class of potentially active citizens can exit from this domestic regime, either via the purchase of overseas education and health services, or via migration and remittances. All this blocks the emergence of a positive feedback link between citizenship and public welfare provision, characteristic of western welfare states. Instead, the informal security regime prevails, with de-clientelisation rather than de-commodification as the prime task of social policy.

Latin America

Latin America reveals similar patterns of informalisation of security but, in the more developed countries at least, this coexists alongside a more extensive sector of state welfare. One reason for this is the earlier 19th century decolonisation and political independence and the subsequent emergence of export

⁸ urban broker-patrons or 'touts' are known in Bengali as *mastaan*.

economies and partial industrialisation. Together this fostered a capitalist class and an urban proletariat alongside the land-owning class and a hard-pressed peasantry. The inter-war global depression brought about a switch from export economies to import substitution strategies. This fostered the emergence of social insurance and employment protection schemes for formal sector workers, endorsed by the state. On this basis an alliance of industry, public sector workers and urban industrial workers emerged which acted to protect and extend these incipient welfare institutions. As a result, a welfare regime emerged in post-war Latin America, most clearly in the more developed Southern Cone, not unlike that of southern Europe. There were aspirations towards universal access in health and education. Social insurance and employment protection institutions provided a substantial degree of protection against risk for formal sector workers and their dependants. Small wonder that some have characterised the Southern Cone countries as welfare states (Huber 1996). However, the dualised economy left the mass of informal sector workers⁹ unprotected, reliant on unregulated labour markets, residual public assistance programmes and above all their own resources. Throughout the region, household provision and livelihood mixing was important, and the private sector was not clearly distinguished from the public. For this reason, Barrientos (2004) describes this as a *combined conservative-informal* welfare regime - with, in southern countries, an incipient conservative-informal welfare *state* regime.

He goes on to argue that this post-war Latin American regime type was substantially transformed during the late 70s and 80s as import substitution, increasingly ill-adapted to the liberalisation of trade, investment and finance, was replaced by export-oriented growth models as a response to debt crises and the impositions of structural adjustment (Gwynne and Kay 1999). With such harsh modifications to the economy, corporatist and syndicalist politics gave way to authoritarian political regimes (O'Donnell 1979). In the face of this combined onslaught the political constituency of industry, public sector and formal sector workers crumbled. As a result, according to Barrientos (2004), by the 1990s the welfare regime began to shift to a *liberal-informal* one. Employment protection withered in the face of labour market deregulation. Social insurance began to be replaced by individual saving and market provision. The private financing and provision of health and education was encouraged. The state origins of protection were weakened, with workers of all kinds more exposed to informal sources of support. Looking to the future, the experience of instability and crisis during the last decade is stimulating the resurgence of political democracy across the region which might offer opportunities for new, perhaps more inclusive, social programmes and forms of social development to emerge. Unlike South Asia, there is a tradition of extensive state-induced social policy to refer back to.

East Asia

The middle-income countries in East Asia¹⁰ provide a radically different model of combined informal and formal welfare, described as *productivist welfare regimes*. These regimes are based on dynamic emerging capitalist market economies, which have driven the commodification of labour over many decades under state guided pursuit of economic growth as the main policy goal, with the emergence of marketised social welfare as a corollary. Moreover, they continue to be governed by unified, relatively strong states with substantial steering and infrastructural capacities. They have pursued this developmental agenda with remarkable economic success. In the absence of seriously unequal Latin American-style distribution attributable in part to post 2WW imposed land reform agendas, this growth has generated steadily improving welfare outcomes (Gough 2001, 2004a).

The term *productivist* welfare regime signals that the East Asian countries differ from the types of welfare state regime identified in the West. First, social policy is not an autonomous agent in society or even an autonomous sphere of government; rather it is subordinated to the dominant economic policy goal of maintaining high rates of economic growth. Following on from this, social policy is concentrated on social investment notably in education and basic health rather than social protection. Third, this policy has largely been driven by the imperatives of nation-building and regime legitimation. Fourth, the state is mainly confined to regulation rather than provision and plays only a contributory role to the broader welfare mix, which is sustained by strong families and household strategies, high savings and marketised provision and, in Korea, enterprise welfare.

⁹ Millions of peasants, landless labourers, urban unemployed and marginal workers

¹⁰ With the exception of the Philippines and excluding consideration of China and the two city states of Hong Kong and Singapore.

However, the sustainability of this regime and the threats to welfare are now open to doubt because of its vulnerability, as exemplified in the East Asian financial crisis of 1997. The open economies of the region were exposed to short-term inflows of hot money from the US and Japan which financed unsustainable bank lending and investment projects. The ultimate collapse of the Thai *baht* triggered a currency and banking crisis with major impacts upon incomes, poverty and living standards. As a result, the absence of social protection measures and the lack of social investment in higher education was exposed. The advent of democratisation and sustained citizenship campaigns coupled with greater international economic exposure has driven the governments of Korea and Taiwan to develop incipient welfare *states*, albeit of a distinct productivist bent. It remains to be seen whether this sets a pattern for the transformation of the productivist social development regimes elsewhere in the region.

Stretching the typology: insecurity regimes

Some commentators¹¹ are prone to divide the world's 6 billion population into 1:4:1. The first billion enjoy the wealth and security of rich developed countries (not to deny poverty within them, but to see it as easily solvable with present institutions); the next 4 billion are improving societies, with poverty declining and social capital slowly transforming informal security; but the final 1 billion will remain as the main target of development aid for at least the first half of the 21st century.

This final one billion is significantly concentrated in sub-Saharan Africa, which has been characterised by Bevan (2004) as a regional insecurity regime with high uncertainty. She thus develops a generic model of 'in/security' regimes which has more relevance to peripheral, dangerous and powerless zones of the world system. Here the very essence of the nation-state is itself contested, partly as a result of colonial history and post-colonial settlements which transgressed other, competing, primordial loyalties and identities. But these are also zones which are not articulated into the global political economy as national economies, and which thereby experience highly unregulated market conditions and collusions with foreign capital, mediated by patron, warlord and comprador economic agents. Weak states are therefore open to powerful external forces ranging from the world powers, through external governmental organisations, transnational corporations, international NGOs, to criminal networks. These interact with local patrons to reinforce patronage relationships, resulting either in precarious adverse incorporation and dependence of the population; or the exclusion of groups from any form of livelihood and welfare and their consequent destruction. The result is a combination of: predatory capitalism; variegated forms of oppression; inadequate, insecure livelihoods; shadow, collapsed and/or criminal states; diffuse and fluid forms of political mobilisation reproducing adverse incorporation and exclusion; and political fluidity if not outright chaos. The outcomes have been deteriorating health, denial of education and rising poverty in many areas. Superimposed on this, in many parts of the subcontinent, the HIV-AIDS pandemic and/or war and civil conflict have generated extreme levels of suffering.

The pursuit of secure welfare in these circumstances can presume none of the institutional performance labels, which apply to the other two families of welfare regime. Insecurity regimes thus exhibit a far more tenuous relationship between rights and correlative duties, seeing survival mechanisms as more transient and contingent upon the particular alliances fabricated by power-holders. Thus the poor have to adapt continuously, negotiating short term solutions to welfare in the absence of longer term ones. This is a world of unstable and frequently violent fission and fusion in which the pursuit of secure welfare is virtually divorced from any recognisable sense of social policy. Reaching poor people with weakened personal social resources in these circumstances of dysfunctional social capital and weak public goods becomes more of a relief process than even a rehabilitation one.

However, an additional dimension of this argument, especially for sub-Saharan Africa, is whether the regime label can be confined to the national level. Again Bevan argues that major areas of Africa resemble more an open field of play for powerful external interests: governments, multinational corporations, development agencies and criminal gangs, among others. Many states are 'incoherent' in two senses: they are not institutionally differentiated from the societies within which they are

¹¹ For example, Paul Collier (at the Centre for the Study of African Economies, University of Oxford, and recently Director of the Development Research Group at the World Bank) argued in these terms at a seminar at St. Anthony's, Oxford, in October 2003.

embedded¹², and they lack meaningful territorial borders. As a result, the external players intrude into and enmesh with domestic elites in a novel and menacing way. This can enhance the power of the military, criminals and informal elites in ways which establish a perverted form of path dependency. The World Bank and the IMF, recently converted to pro-poor growth, now earnestly wish to reverse this downward spiral, but this entails confronting the results of past international involvements.

To summarise this, the strongest test of a regime analysis, there are systemic patterns in the interaction between individuals and institutions. The overwhelming reliance on individuals in households generates gross insecurity and poor levels of need satisfaction. The emergence of stable informal mechanisms at some kind of community level is blocked by the predatory behaviour of actors within the state and market corners of the IRM, including internationally. Thus powerful external players interact with weak internal actors to generate conflict and political instability. These regimes spill over national boundaries, which have been weakly constructed in the face of alternatively enduring solidarities and identities, based on ethnicity, language and religion. Under such conditions, governments cannot play even a vestigial governance and security-enhancing role. The outcome is a vicious circle of insecurity, vulnerability and suffering for all but a small elite and their enforcers and clients. Pockets of social development and African success stories qualify but do not alter this conclusion.

Of course, the crucial question, under these conditions, is whether there are any signs of shifting interests in the intersection between local vested interests and the global political economy which might encourage institutional reform: for example, fair prices to farmers; a socially protected export oriented workforce; credible famine relief measures to head off major political instability and thus secure reasonable conditions for FDI; and preservation of labour markets and social capital through the international public goods initiative on HIV/AIDS vaccines.

Social Policy in Development Contexts

What then are the implications of our analysis for social policy in the South? If social policy is the public pursuit of secure welfare, we must first dwell upon the meaning of public action. To circumvent a long history of debate on this subject, we begin with the analysis of social policy in the West as the product of a dual movement: pressures from below and reforms from above (Gough 1979, Chapter 1). Let us consider each in turn before considering the implications for social reforms in development contexts.

It is no coincidence that welfare state regimes in western industrial societies evolved alongside the proletarianisation of labour. As we learn from Marx, mature capitalism brings about the social conditions under which alienation becomes a shared experience and labour can be organised to confront or remedy that alienation. Thus the forms of public action that brought about the 'welfare state' involved struggles of the increasingly organised labour movement. In many northern European countries, these developments were linked to a range of other class mobilisations, notably by agricultural workers and later the 'service class', other social movements (such as the temperance movement in Scandinavia), and self-help institutions, such as Friendly Societies in Britain. Thus concessions were progressively wrung from the bourgeois state through public action.

On the other hand, social policies have also been introduced from the top down by far-sighted elites recognising the various 'functions' that social policies can perform and the beneficial results of accumulation, legitimacy and stability for the pursuit of their own interests. Stable inequality (Tilly 1999) can only be achieved if poverty is somehow managed either through meaningful chances of upward mobility or through moderated exploitation. This is also the 'public goods' argument for social reform, whether public health measures to control epidemics, social programmes (alongside social control) to prevent runaway crime and physical insecurity, schooling for skills and citizenship, or housing and town planning to counter the social costs of unplanned urbanisation. Concessionary capitalism has to formalise some public goods as social rights in order for stable inequality to persist.

What are the chances of similar mechanisms taking hold in the South and transforming informal into formal welfare regimes? First, can we expect serious, sustained and effective bottom-up pressure from

¹² That is, unlike states in South Asia, they have no relative autonomy.

organised labour? Outside a few areas, no; so we have to search for public action in other quarters. As we have previously argued, such public action takes two essential forms: action which provides immediate welfare, though usually at the price of loyalty to degraded arrangements and other forms of adverse incorporation; and action which seeks to improve the quality of institutions through which welfare might be secured. The former action can be broadly summed up as clientelism; the latter as social development, when it is not revolution.

Our conceptualisation of informal security regimes establishes a proposition: social policy as the public pursuit of secure welfare requires *de-clientelisation*. There is a need to dis-establish clientelist forms of representation and provisioning and establish more formal rights to welfare and security. The immediate qualification that needs to be made is that since clientelism does perform significant short term welfare functions, a policy of de-clientelisation can only be ethically contemplated if the processes that achieve this outcome also offer alternative welfare functions effectively delivered. This is a tall order. However, such a proposition is consistent with our distinction above between the pursuit of universalist goals and needs but the use of relativist means to achieve them.

What is the realistic basis of public action, which might deliver this agenda? Having rejected a critical role for organised labour, how do we assess the claims made across the world for a *civil society* alternative? We certainly need to be wary of much rhetoric from the official bilateral agencies and the IFIs. In this rhetoric, the good governance agenda is combined with optimism about participatory social action as the means to improve public institutional performance, poverty-focused policy implementation, and community based social development.

Yet, there is some contrast of judgement between gloomy academics on the one hand (Wood, 2000; Cooke and Kothari 2001) and the evidence of widespread NGO/Civil Society movements operating at local, national and global levels with increasing sophistication as lobbyists and pressure groups. Obviously the 'de Tocqueville' understanding of civil society as critical and independent, able to exert restraining pressure upon the state (Davis and McGregor 2000), has to be tempered by the hegemonic pessimists.¹³ At the same time, the preoccupation with hegemony does not sit easily with the many small gains made by civil society action, social movements and collective action. With some finite exceptions, states cannot rule for long by coercion alone. Concessions to struggle are made, rights do get extended, policies do get changed, reforms do happen. Perhaps the hegemonic pessimists have simply been too impatient and have not attributed enough significance to small victories. In examining the hegemonic implications of authoritative labelling, Wood (1985) also points out that 'targets strike back'. In other words, the ways in which the state might seek to organise and re-organise its population for convenient, limited policy concessions can itself produce new solidarities and social bases for critical social action. One way or another, the achievement has been to organise solidarities outside the category of organised labour. Post-modernist analysis has drawn our attention to these possibilities as identities and interest groups outside the historic capital-labour confrontation have emerged as significant. This has been reinforced by the evidence from transforming, recently agrarian, societies where peasants, quasi peasants, tenants, landless agricultural labour, informal sector workers, migrants, and women from these categories have been mobilised in the 'reformist' era following the great 'peasant' revolutions associated with Russia, China, Mexico, Vietnam *inter alia* (Webster and Engberg-Pedersen 2002).

Turning to top-down reforms, elites in the South typically have contradictory relationships to the state. Some are definitely part of the problem of the state, while others lament its irresponsibility. From experience in South Asia and Latin America, it is clear than even well connected elites have insufficient trust in the state to commit to it wholeheartedly. Typically, a desire for public goods coexists with an unwillingness to collectively invest in them, resulting in widespread tax avoidance and evasion. It also results in public squalor alongside private wealth, privately protected. A social policy agenda in poor countries clearly has to include converting the elite's objective interest in, and frequent desire for, public goods into corresponding public action to deliver them. In other words, a regime change in which their correlative duties are expanded in response to rights claimed by others. In this sense, civil society action has to embrace the middle classes far more than hitherto, and beyond narrow professional or neighbourhood associations. Of course the threat of unstable inequality can be

¹³ Thus: Gramscian arguments about civil society incorporated into the state's project; in the seventies, Althusser's 'ideological state apparatuses'; and the critical theory of Habermas, Marcuse and others associated with the Frankfurt School.

incentive, as perhaps has been the case recently in Venezuela. In a nutshell, the transformation of informal security regimes into welfare state regimes entails a subtle and complex process of de-clientelisation.

The transformation of insecurity regimes into even informal security regimes requires more basic preconditions: stable, legitimate states with some minimal jurisdiction over their territories; international curbs on the actions of threatening outside actors and regulation of global markets; and moves to enhance civil society and norms of governance. Some of this agenda is now embraced by the World Bank and aid agencies, but as Gore (2000) argues, this paradigm is contradictory and thus naïve. The discourse of normative standards at the international level (such as the Millennium Goals) does not displace the responsibilities of national governments. Yet the severe and intensifying international constraints on nation states are barely recognised. If, however, as we argue, international factors and actors must be fully integrated into the analysis, then the prospects for countries in unstable zones to improve on their insecurity regimes are dependent on changes in the global architecture of nations and institutions.

All of this implies a moral hierarchy of regime types on a continuum from 'insecurity' to 'informal insecurity' to 'formal security'. There can be no doubt that such a formulation poses a theoretical dilemma for us. Are we simply repeating a modernisation mantra and in effect unfavourably contrasting traditional with modern social arrangements? Not really. On the one hand, we have indicated that we are sensitive to history, colonialism and neo-colonialism, and persistent conditions of unequal exchange in the global political economy. We are acknowledging path dependency and not assuming that globalisation produces homogeneity of modern social systems. On the other hand, we do claim that 'formal security' of welfare (in the sense of individual, guaranteed, non-personal and justiciable rights independent of birth, wealth, gender, status or other ascribed characteristics) is the most satisfactory way of meeting the universal human need for security and well-being. That condition must be better for most people than either the clientelist, though partially protected, conditions of 'informal security' or certainly the persistent instability and violence of 'insecurity' regime types, associated with high level vulnerability and little room to manoeuvre for survival.

Yet we are not suggesting a global programme of catching up. We are not suggesting for the foreseeable future (i.e. at least during the lifetime of the Millennium Development Goals) that the welfare regimes of poor countries can somehow be transformed into the welfare state ones of the west, or even that this would be desirable. That would be to deny path dependency and to be insensitive to the different historical ways in which societies and geographic zones are represented within globalisation. Improvements towards formal security have to be judged in each situation according to its particular circumstances, and we have to be realistic rather than utopian.

This middle-range regime approach enables us to retain a universalism about ends while being relativist about means.¹⁴ This relativism essentially reflects the basic ways in which poverty needs to be understood in different sets of societies, thus the conceptual basis for defining appropriate security of welfare, and the institutional room for manoeuvre in any meaningful timeframe. This relativism certainly requires us to box more clever in considering the repertoire of social policy initiatives by a wider range of actors in the public domain, not confined to the state. This is the basic contrast to western social policy. The relationships between rights and correlative duties have to be found more subtly and supported in ways which does not presume the absolute authority of the state and which respects the sustainable contribution of other agencies.

¹⁴ In the contemporary world, Gough (2004b) has recently argued, the opposite pertains, due to the combined influence of post-modern denials of universal conceptions of human well-being and one-size-fits-all policy recommendations by global agencies. 'In this topsy-turvy world, core values and needs are relative and local, while means and policies are global and universal'.

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