

MICHAEL

HILL

# social policy

A comparative

analysis

# ***Social Policy: A comparative analysis***

**MICHAEL HILL**

**Department of Social Policy  
University of Newcastle Upon Tyne**



**PRENTICE HALL**

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This book is dedicated to my father, Harold, whose active old age reminds me that if I can remain as busy and alert as he is this book could run through many editions.

# ***Preface***

This book is an overview of social policy which deals with issues, rather than descriptions of policies. In doing so it introduces key concepts, issues about the performance of policies and the ways in which writers have sought to explain policy characteristics. It thus shows how specific policies and policy systems vary throughout the developed world, using examples from a wide range of societies.

Those societies comprise most of the member states of the OECD, plus some of the newly developed states that have recently joined the 'first world' (notably the 'little tigers' of East Asia). The book does not use examples from countries where social policy is still at an embryonic stage, nor from the countries of the former Soviet bloc where social policy is currently undergoing dramatic changes whose outcomes are difficult to predict. Its use of examples is influenced by the extent to which different issues have been studied comparatively or in a way which facilitates comparative use. It is also affected by the extent to which material is available in English.

While considerable effort has been made to supplement the use of evidence from the author's own society (United Kingdom), this cannot be described as a book offering a grand comparative theory of its own. Rather it is a book about 'social policy issues', which has been designed to have widespread relevance and to avoid the ethnocentrism which marks much British writing on social policy (including much of the author's own earlier work).

Social policy as an academic discipline is largely confined to the United Kingdom (with limited related developments in Eire, Australia, New Zealand and Hong Kong). In other societies social policy teaching will be found within social work departments (notably in the United States and Canada), but the linking of social policy and social work tends to confine the study of the former to a narrow range of concerns, with a strong emphasis on social pathology and on policies directly oriented to the social welfare of the deprived. What has been characteristic of the development of social policy teaching in the United Kingdom in recent years has been a desire to move away from its close identification with social work and to recognise that

social policies impact upon all groups in society and that any analysis of those policies needs to deal with interactions between social and economic policies. The 'ghettoisation' of social policy tends to narrow the social policy agenda, seeing it in terms of services for social casualties rather than as universal contributions to the welfare of society as a whole.

As the study of social policy in the United Kingdom has moved outwards in the way described above it has become recognised that its analysis and therefore its teaching need to take into account developments outside Britain, and that it needs to give considerable attention to its links to sociology, political science and economics. These two developments are usefully brought together by the fact that as British scholars cross the North Sea they find that in most other countries developments (and relevant teaching) in their subject are occurring in sociology, politics and economics departments (together with other hybrid and applied departments like departments of public administration, policy studies and management).

The author is describing his own 'awakening' amongst that of others. Indeed he has been in the slightly schizoid position of making a contribution to largely political science-based policy analysis and theory, which has been well received abroad, while continuing to be primarily a contributor to rather parochial work on social policy within his own country. This book aims to address that 'problem'.

These references to other disciplines need supplementing by examining two alternative ways forward for the analysis of social policy. One way is to emphasise the social welfare aspect. This involves recognising that the welfare of individuals is by no means determined only by 'policy' – by direct interventions by the state. The other is to emphasise the policy aspect, to concentrate upon the state's role. Economics handles this dichotomy inasmuch as its approach to welfare is to attempt to delineate those issues which market processes do not handle satisfactorily. This takes it into the domain of philosophy and value conflict. A sociology of welfare alternatively offers an analysis which recognises the complex variety of ways in which families, communities and the state impact upon the individual. Political science puts the role of the last of those three at the centre of its concerns. The stance taken in this book is that it is a book about social *policy*, therefore its central concern is the role of the state. However, the perspectives of the disciplines other than political science are important inasmuch as economics deals in a variety of ways with the market/state boundary or relationship and sociology emphasises the need to keep the relationship between state and society firmly in sight when policy is being considered. Chapter 1 examines these issues further, and each chapter thereafter recognises the importance of the context within which an elaborate state role is found in all the developed economies.

Many people have contributed directly or indirectly to the production of this book. My wife Betty has done both: as someone on whom I could test

ideas, as a careful and critical reader of a draft; and as a partner who has to put up with unsocial working hours (very early in the morning mostly) and periods of preoccupation with the task.

Clare Grist of Harvester Wheatsheaf has played a very important role. She interprets her responsibilities as an editor generously, offering support and ideas going well beyond the main practical issues. In developing a comparative project I have had a great deal of help from scholars in other countries. Many are acknowledged below, but two I want to single out here are Peter Hupe and Pieter Degeling. The former has taken an interest in the project since an early stage and generously arranged a programme of activities which deepened my understanding of social policy in the Netherlands. The latter has been my main host in Australia, enabling me to get in touch with a range of interesting and helpful people.

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**PART ONE**

***Themes in the  
comparative analysis of  
social policy***



## CHAPTER ONE

# ***Welfare and the state***

### **Introduction**

There is a basic difficulty about defining social policy in that there are disagreements about whether it should be merely concerned with the correction of malfunctions in the operation of society (and particularly of the economy) or involve some overall and logically prior concern with welfare in society, and about the extent to which welfare should be regarded as a key state responsibility. Rather than engage in an elaborate discussion of these arguments at the very beginning of the book, the preference here is to let the main aspects of these issues emerge in the introductory discussion.

Broadly speaking the study of social policy is the study of the role of the state in relation to the welfare of its citizens. This leads immediately to two questions. First, since the welfare of citizens is affected by their own actions and by the actions of others, including those of collective organisations of various kinds, what is it about the role of the state in relation to welfare that is different? Second, what are the kinds of actions which have an impact on welfare?

Figure 1.1 brings these two definitional issues together. However, reducing the key points to a limited number of words for a chart over-simplifies, so some further explanation is needed.

### ***The individualistic model***

The issues about individualism could be taken back to philosophical propositions about 'the state of nature', but it is rather more appropriate for this discussion to recognise that there is an individualistic philosophical position which sees people relating to each other in 'markets' as a key principle for the organisation of social activities (Hayek, 1960; Nozick, 1974;



	Provision of income	Provision of services	Regulation
<b>Individuals</b>	Work, etc.	Purchase	Reciprocity
<b>Families</b>	Sharing	Care	Affection
<b>Communities</b>	Charity	Charity	Norms
<b>State</b>	Benefits	Services	Laws

**Figure 1.1** Actions affecting welfare

Gray, 1992). The importance of that perspective in legitimating capitalism and in raising doubts about some aspects of state activities makes it a necessary starting-point for this discussion.

The individualistic ‘economic man’ perspective sees the distribution of incomes as appropriately determined by market activities. Incomes are ‘earned’ through ‘work’ and perhaps through other forms of market participation not covered by the word ‘work’ used in figure 1.1 – investment, renting of land and property, etc. Once that income is secured the individual makes spending decisions, and thus may purchase ‘services’ including such things as education and health care. People may even be able to solve future anticipated income maintenance and care needs through savings or through a ‘market device’, such as private insurance. Even pollution, a problem often created by the market-oriented behaviour of others, can be tackled by individualised economic-type solutions – buying masks or treated water, paying a neighbour to abstain from a noxious activity, and so on.

Regulation of economic activity is seen, in market theory, as arising naturally out of economic reciprocity – the fact that individuals are linked with each other in a series of exchange relationships inhibits the exploitation of short-run economic advantages in ways which will damage long-run prospects. A great deal of the argument about whether or not market principles are adequate for the determination of social order turns upon whether this last phenomenon can work effectively if left alone. Ormerod, amongst others, has pointed out the important message in the work of one of the founding fathers of economics, Adam Smith, that while, as the ‘new right’ emphasise, ‘self interest is seen as the driving force of a successful economy’, this needs to be pursued ‘in the context of a shared view of what constitutes reasonable behaviour’, which the state has a role to promote (Ormerod, 1994, p. 13).

Even in the individualistic model of society it is usually recognised that there are family relationships which may not be governed by market exchange principles. Hence families may be a forum within which incomes are redistributed to deal with dependencies arising from immaturity or infirmity. It follows logically from this that it is within families that much of the interchange of resources between generations occurs, including the in-