

ΕΠΙΣΤΗΜΟΝΙΚΗ ΕΤΑΙΡΕΙΑ ΚΟΙΝΩΝΙΚΗΣ ΠΟΛΙΤΙΚΗΣ

4<sup>ο</sup> διεθνές επιστημονικό συνέδριο

Ο ΡΟΛΟΣ ΤΗΣ ΚΟΙΝΩΝΙΚΗΣ ΠΟΛΙΤΙΚΗΣ ΣΗΜΕΡΑ:

ΚΡΙΤΙΚΕΣ ΠΡΟΣΕΓΓΙΣΕΙΣ ΚΑΙ ΠΡΟΚΛΗΣΕΙΣ

Αθήνα, 9-11, Νοεμβρίου 2011

**KENTIKH OMILIA**

**SOCIAL POLICY FOR THE 21<sup>st</sup> CENTURY**

(Η ΚΟΙΝΩΝΙΚΗ ΠΟΛΙΤΙΚΗ ΣΤΟΝ 21<sup>ο</sup> ΑΙΩΝΑ)

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4th International Conference

Athens, November 9-11, 2011

## 1. Introduction

My purpose in this lecture is to consider the nature and direction of social policy in the present century.

I start by reviewing social policy in the 20<sup>th</sup> century. Then I will consider the issues that have arisen and the lessons that can be drawn. I will explain why I think social policy is more important than it has ever been and suggest some principles for future social policy. I will largely draw on the British experience – but I hope the lessons and conclusions are relevant throughout Europe and the world.

I speak at a time of economic crisis in Greece and to a lesser extent in Britain and in many supposedly developed countries. (It is worth remembering that the economies in which most of the people of the world live – notably India and China - have been growing rapidly, although it is not clear what proportions of their populations have benefitted.)

Recession has massive consequences for social policy.

First, there are the direct and immediate effects of recession. There are many sceptical about ‘trickle down’ and how widely the benefits of economic growth have been distributed. Yet there can be little doubt that the effects of no or negative economic growth are far more unequal. Unemployment across Europe rose from 7% in 2007 to 10% in 2011. This immediately adds to costs of social protection. Indeed a recent report on *The Great Recession and the Distribution of Household Income* found that:

*Although GDP fell, national accounts data for 16 countries show that Gross Household Disposable Income rose in 12 of them between 2007 and 2009. The household sector in aggregate was protected from the impact of the downturn by additional support of governments through the tax and benefit system (largely concentrated on the bottom half of the distribution). (Jenkins et al., 2011:0-ii)*

Thus, social policy worked, but at a substantial cost.

Second, as costs have risen and the yield of taxation has fallen, public sector deficits have rocketed. Government responses to this, whether decided internally or imposed from outside, have varied. In Britain under the new Coalition Government the bulk of the reduction is being extracted from public spending with a much smaller increase in taxation. The resulting effects on the distribution of incomes was estimated by the Institute for Fiscal Studies (Browne, 2010) who concluded that by 2014-15 the reforms were clearly regressive within the bottom 90%; the biggest (and similar) proportionate losses occurred in the bottom and top deciles of the income distribution. Families with children will be the biggest losers because of cutbacks in social benefits and education.

Social policy is concerned with many goals but primarily with social justice. One central aspect of this is poverty and income inequality. It is not yet clear how relative poverty will be affected because a decline in real income levels reduces a relative poverty standard. What seems certain is that in many countries absolute poverty is increasing. Income inequality is also almost certainly increasing: in the UK, the CEOs of the largest firms received average pay increases of 50% last year when the average workers in general got an average increase of 2%. There can be little sense of social justice when the rich and poor are treated so differently. The British Government's claim that in tackling the crisis 'we are all in it together' is hard to credit.

Since threats to social policy can become threats to the stability of government and the whole society, economic crisis also highlights how social policy underpins the economy and legitimates the state. Such critical times make rethinking social policy all the more urgent.

Many people now argue that social policy has got out of hand and must be cut back to an affordable level. Many who do so always wanted to restrict social policy and the economic crisis is a convenient excuse for pursuing their opposition to social goals of justice and opportunity for all. Others are concerned that there is genuinely a problem of affordability or willingness of taxpayers to sustain social services.

So the challenge to social policy at the moment is great. I will argue that it is a challenge that can be met.

## **2. Social Policy in the 20<sup>th</sup> Century**

At the start of the 20<sup>th</sup> century, the involvement of government in social policy was tiny. In the UK 2.6% of GDP was spent on health, education and social security. By 2007 that had grown ten times, to 26% of GDP.

OECD figures for Greece show a growth from 10.2% of Gross Domestic Product going on social expenditure in 1980 to 21.3% in 2000 – a doubling in 20 years, but still lower than in much of Europe.

The first half of the 20<sup>th</sup> Century was a period of two world wars and a prolonged economic depression. At the same time there were in Europe major economic changes and changing ideas on democracy and the responsibilities of the state - the result of political ideas, the changing social and economic circumstances, political and economic struggle and the threat or competition of the Soviet Union.

The post-second world war experience was guided in many countries by a vision of a society that was fundamentally different from what had gone before. In Britain while the war still raged, Beveridge proposed that the five evils of want or poverty, of idleness or unemployment, disease, ignorance and squalor should be overcome. The UN Declaration of Human Rights in 1948 included rights for all to a decent standard of living, to education, to health care, to social security and to shelter. These rights were certainly never realised but they set out goals which have been preserved and, in Europe, embodied in law.

Social spending grew after the war as the welfare state was established and then it continued to grow. This was the result of a combination of political and economic forces. The political forces of democracy pressing for rights to a basic minimum for subsistence and rights to education and health care for all have clearly been important. So too have changes in human values; few now think it acceptable for children to be uneducated, unless they are in a foreign country. Economic changes with advanced industrialisation and urbanisation have created a need for an educated and healthy labour force and for some provision for those who are outside the employed labour force due to unemployment, disability or retirement. As social

policies have developed, concerns for equity have led to pressures for more social expenditure. As people have lived longer, more have depended on pensions and health care in old age. As health technology has advanced the scope of treatments and demands that all who could benefit should do so have added to pressures on spending. The 20<sup>th</sup> century, certainly the second half of it after the world wars of the first half, was a period in which social rights were vastly extended in most western countries. This was not uniform or perfect and many inequities, glaring gaps and continuing problems can be pointed out – and social policy analysts have rightly done so. But it was a period of progress - progress that is now seriously threatened.

What were the goals of this development of social policy? They were not precisely the same in all countries and the models of social policy pursued differed in important respects but they were broadly concerned to develop social services and promote social justice

Despite the achievements, however, major issues have arisen. Some may be illustrated from the work of Richard Titmuss who was certainly the leading academic in the social policy field in the 20<sup>th</sup> century in Britain, perhaps in the world. He was the first Professor of Social Administration at the London School of Economics from 1951 until his death in 1973. Now the Department of Social Policy is one of the largest and most thriving departments at LSE and former students occupy many important roles, including Chair of the Hellenic Social Policy Association.

Titmuss defined social administration – the name was changed much later to social policy - as:

*“the study of the social services whose object...is the improvement of the conditions of life of the individual in the setting of family and group relations. It is concerned with the historical development of these services, both statutory and voluntary, with the moral values implicit in social action, with the roles and functions of the services...On the one hand, then, we are interested in the machinery of administration, which organizes and dispenses various forms of social assistance; on the other, in the lives, the needs, and the mutual relations of those members of the community for whom the services are provided.”* (Titmuss, 1958:14)

While Titmuss questioned the notion of a welfare state, in reality this was his focus - in the sense that he was focussed on welfare or social services and on state or government-provided services.

This is broadly speaking how social policy has been generally interpreted and how it has developed. In important ways this has, I believe, been profoundly misguided.

In many ways social services are of relatively minor importance. Health is determined by sanitation, water supply, food, exercise, environment, smoking, drinking, drugs, genetic endowment, and health care – health care for most people coming last in order for importance. Poverty is determined by the degree of inequality in society which depends on the inequality in wealth, in earnings and in employment; these in turn depend on inheritance, education, family formation and fertility as well as on social security and taxation.

Mistakenly, in my judgement, it is on the social services that most attention has been focussed. For example, privatisation and quasi-markets now dominate debate on social policy in Britain. They are about the organisation of social services – the means – rather than about their ends.

A second major issue has been the adequacy of the resources directed at social services.

In Britain, much thinking on social policy seems trapped in the late-1940s. Then, stimulated by the Beveridge Report, the Labour Government introduced the National Health Service and National Insurance, launched a massive house building programme, implemented education reforms and maintained full employment. Many see this as the new dawn of social policy, a dawn when it was bliss to be alive, and see the next 60 years as a sliding back from these high ideals with erosion and cuts in services; they see the answer as a return to the true faith of social policy. The implication is that enough resources for social policy would resolve all difficulties.

Yet spending on the main social services has increased steadily as a proportion of a growing gross domestic product at least until recent years.

For most of the past 60 years the stance of many social policy academics has been one of grim defensiveness, resisting cuts and encroachments in social services. Many involved have been heroic servants striving to carry all the burdens and meet all the needs that fell on them. Defending social services has led some to overstate their possible effects. When these have not been achieved social policy has been blamed.

Whatever their deficiencies, social policies have achieved remarkable social change. Yet they have always been treated as a luxury, to be afforded if possible, not as an essential. When there is an economic crisis in almost all cases they must be reduced, not the excess spending of the very rich. Social policies are treated as secondary, not primary, to the functioning of the whole society and economy.

Faced with cut-backs, those concerned with social services try to hang on and defend the services as far as possible, to protect the most vulnerable. But there are limits to what social policy can do in the face of economic crisis – with more unemployment and more inequality, there are more shortcomings and the result is the discrediting of social services.

Social policy academics need to state the limits to what social services can achieve with the resources available. For example, if youth unemployment is not reduced, riots, such as Britain experienced this summer, may spread – and there is little social policy can do to prevent this.

The role for social policy that Beveridge envisaged assumed that economic policy would achieve goals of full employment and that tax revenues and social insurance contributions would be generated to finance social services. For several decades this was largely true. Yet it is now long gone. For example in 1979 Donnison argued after Titmuss's death that the economic system on which Titmuss's conception of social services depended – notably full employment and wages adequate to support a family – no longer existed.

Yet most social policy analysts ignored this and treated social policy as something that could be considered separately from economic policy. This has, I suggest been profoundly damaging for social policy. Social goals – social justice and fair life chances - cannot be achieved by social services alone.

The reason for the separation does not lie with social policy people alone. Most economists have treated social policy and social services as being of little interest – a luxury that may be afforded provided it does not distort the market economy but entirely secondary to the ‘real’ economy. Most economists ignore the social foundations of the economy - the creation of human capital and social capital and some degree of social consensus about property rights and law and order on which , the legitimacy of government depends .

Not only did Beveridge and Titmuss take the economy for granted, they also took women for granted. They assumed that women would be available for unlimited unpaid labour caring for children, and caring for disabled and elderly people. The assumptive world of the male breadwinner–female carer model has contributed to the maintenance of great gender inequalities. The need to look beyond social services to divisions in the labour market and in domestic tasks, and to social attitudes and values became apparent in the writings of Jane Lewis and others. If the concern is with social outcomes, then a framework focussed only on social services is wholly inadequate. Private, gendered behaviour has public consequences.

In other respects too the behaviour of individuals and families is increasingly being seen as important: smoking and drinking matter for health, aspirations for educational achievement, attitudes to work for employment. Yet to a large extent social policy is still focussed on public provisions that have to work round private attitudes and behaviour, only occasionally trying to alter that behaviour at the margins.

It was an implicit assumption in Titmuss’s writing that social services are good, almost sacred; they were assumed to promote access to essential services and thereby promote social inclusion. Yet is that always the case?

In education the great expansion of higher education has improved access for all social groups but the inequalities between social classes have endured. Children of those with more education or more money have remained far ahead. Not having a university education is becoming more of a disadvantage than it was in the past.

In health, access to health care may be more equal but inequality in life expectancy is increasing in many countries.



In housing, while building standards are generally much improved, many in social housing are effectively trapped, their mobility restricted by their attachment to their locality and their inability to get comparable housing elsewhere, where there may be jobs.

In the criminal justice system imprisonment is literally intended to deny social inclusion as punishment. Yet its long-run effect is to worsen social exclusion. Prisons prepare people for a life of crime, not a life as part of mainstream society. Rehabilitation is minimal and reoffending rates are appalling.

Social security mitigates poverty in the short term but if can, if designed thoughtlessly make people permanently dependent on social security.

The sad fact is, then, that in many ways social policies reinforce social exclusion.

### **3. Social Policy in the 21<sup>st</sup> century**

As social policies have achieved more, so expectations regarding social services have increased. The promotion of some degree of social justice and of fair life chances is now an obligation almost all governments recognise – although the degree of justice and fairness varies very greatly between countries. A government that fails to achieve an acceptable degree of justice is seen by many to lack legitimacy. Both the Arab Spring and the current consequences of the banking crisis have cast doubt on some governments' legitimacy. Social policies are clearly one important means by which legitimation is achieved.

But while much has been achieved through social policies over the past half century, it is important to remember that economic growth has been central to the improvement of living standards.

At present it is hard to think of economic performance as a success story. But the degree of economic growth has been remarkable and transformative throughout Europe and most of the world.

Writing in 1930, the British economist John Maynard Keynes wrote that:

*We are suffering just now from a bad attack of economic pessimism...*

What would he say now? He continued:

*I would predict that the standard of life in progressive countries one hundred years hence will be between four and eight times as high as it is today.* (Economic Possibilities for our Grandchildren, 1930)

Thus he predicted a growth rate of between 1.5 and 2.1% per annum. Over the quarter of a century up to the banking crisis, Greece's growth rate in constant prices was 2.2% per annum, faster than Keynes predicted. Over the same period Greek social expenditure grew at 5% per annum in real terms.

Keynes foresaw the abundance of personal consumption that was possible but he did not foresee the extent of technological advances in communications – global television and mobile phones - xx million mobile phones in India alone; or the improvement in housing standards, water quality and much else..

There are of course many issues that arise with economic growth. How far does it promote happiness? Can growth be maintained in a sustainable fashion that does not cause accelerating global warming? These are important issues beyond the scope of this lecture. The issue I want to concentrate on is who participates in and benefits from economic growth.

The distribution of production – the extent of inclusion in and exclusion from productive activities, manifested in the rate of unemployment or the numbers of young people not in employment, education or training – and the distribution of consumption – the extent of inequality of incomes – have major social consequences. These are issues that remain controversial despite much higher average income levels; indeed they are much more serious issues in most countries than ten or twenty years ago as unemployment has risen and income inequality has increased.

There are other social issues that are equally pressing – levels of crime, race relations, gender inequality, dramatically unequal life expectancy, for examples – which are concerned with social relations in society. These are rightly the concerns of social policy, but not of a narrow conception of social policy focussed on social services.

At the international level issues of inequality between nations, migration rules, territorial limits, concerted action on climate change are what might be called the social issues of international society. Many of these are unresolved problems which will not be resolved by a little more international social security in the form of overseas aid nor by strengthening the capital base of global banks.

Some in Britain, including in Britain David Cameron, have talked of a breakdown of society. Much of this talk is highly exaggerated and evokes, as many politicians do, a past when society was harmonious and everyone was happy with a place for everyone and everyone in their place – an entirely mythical past. But few would suggest that there are not serious divisions in our societies that threaten social stability and most certainly threaten the life chances of those who lack wealth or power.

So, to sum up, economies have in aggregate advanced rapidly – except for the past few years. But on many key social issues – social justice, fair life chances and relations between fellow citizens - little progress has been made or things have got worse.

What lessons can be drawn for the future?

First, it is necessary to concentrate on goals and consider all the influences on outcomes. Starting from the goals changes the perspective of discussion away from immediate problems of particular services towards the vision of what is trying to be achieved.

Second, there is the need to align social and economic policies. It makes no sense now, if it ever did, to have different goals for economic and social policy. Conventionally the goals of economic policy have been to promote efficiency, economic growth and full employment. By contrast social policy goals have been social justice, tackling poverty, providing social services, reducing risk, promoting life chances and reducing discrimination.

What is now very clear is that social goals cannot be achieved if the economic policy does not also promote the same goals. This requires economic policies that incorporate the social goals.

Already there are many interventions in economy on social grounds – what can be produced – guns, drugs, food ingredients are all regulated; who produces it – children and immigrants are restricted; what people are paid – in most EU countries there is a minimum wage. The market economy is defended by some as sacred. Any further intervention will lead to uncompetitiveness and loss of jobs. Yet it is already rightly subject to major constraints.

The question is not whether there should be intervention in the market economy but whether there should be more or less than now. The key question, I would suggest, is how the economy should be controlled or regulated so that it serves the social goals of the society. In the past social goals have been left to social policy – in effect social policy striving to pick up the pieces. This it can only do to a limited extent. The alternative, the model I suggest for the future, is to ensure the economy conforms with social goals.

There is a need for much more intervention if social goals such as full employment, fairer income differentials, better child protection are to be achieved. If the economy is not delivering what society needs then both economic and social policies must intervene. Central banks should be concerned with social justice as well as ministries of pensions and education. Government departments of business and finance should be as concerned with the welfare of children and old people as well as social service departments. Departments of defence should be as concerned with human rights as well as ministries of justice.

A third lesson is the need to align private responsibilities with social goals. Private behaviour matters for children's life chances, for health, for race relations. Collective social goals cannot be achieved if private behaviour undermines them.

Clearly private behaviour can only be influenced by the state to a limited extent, without a seriously threatening important freedoms. But ways of encouraging private behaviour that has beneficial social consequences need to be put on the agenda.

It was argued that a focus on social services may have exclusionary consequences. Ways of making social policies inclusive need to be developed. In the past, young and old people have been linked through extended families in small and settled communities. But most schools have little to do with older people. Building links can break down social divisions and build up 'bridging' social capital, in Putnam's phrase. Linking primary schools with old people's homes, linking schools and employers, linking supermarkets with advice on healthy eating, linking new parents with older parents may all foster social inclusion. None are easy, though examples exist, but they will only be developed if the need is recognised.

A fourth lesson is that to build trust and sustainability, social policies cannot rely on people trusting in remote 'experts' who decide what is best for people and impose taxes to pay for it. People must understand choices and accept responsibilities as well as rights.

A final lesson is that the limits of social policies must be recognised. Education cannot be limitless. Not all new drugs can be afforded. It is difficult to ration social service resources according to overall aims and politicians usually evade difficult choices; but it is unavoidable. Social policies cannot achieve everything. As I have argued, they are both rooted in and constrained by people's private behaviour and attitudes – which can of course change – and circumscribed by economic circumstances.

To attempt to put these lessons into practice, I will take three examples from different stages of life – childhood, working age, and old age.

### *Child development*

Until quite recently, British social policy concerning children consisted primarily of medical assistance with childbirth, education from the ages of 5 to 16 for all and further and higher education for those already more able, and a combination of universal and means-tested financial support for families with children. There were other services that might be activated – children's services to intervene in cases of total breakdown of family support or in situations of serious child abuse; health services for sick children and some support for disabled children; some public housing for families with children. In the last decade there has been some development of child care services, primarily for children aged 3 and 4 but the overall picture remains unchanged – very young children are primarily a private

responsibility; education is seen by most parents as a state responsibility which starts after infancy, with the cost of children being shared between parents and the state.

How much sense does this make? In economic terms, the production of a grown-up child is a co-production, involving parents, the wider family, the community, the state and the economy. It is clear from much recent research and the writings in the USA of James Heckman that the early or foundation years are hugely influential in determining school performance and later employment and income level. A private activity such as reading to a child in bed is of long-term importance for child development. Yet, for the most part, the state has left these early years to families with almost no assistance. Skills in parenting were assumed to be inborn or learned in the family. Once most children could observe other children being cared for (or neglected) in their own family or an extended community. Now less than half children grow up with a younger sibling and in two-earner couples for many hours each day child care is provided by a television. Preparation for parenting has now been included in the British school curriculum, and consists of two lessons in the course of ten years compulsory education, an increase on zero but still a fraction of the attention to solving simultaneous and quadratic equations. Some parents of course study libraries of books on parenting but some things need more practical training. If the early years matter, as they do, then preparation for parenting is essential, not a luxury. So too is parental leave, affecting the whole economy. So too is the cultural and commercial environment in which children are brought up. Since any society depends on its children, treating children as purely a personal parental life-style choice whose burdens and blessings are of no wider social or economic concern is absurd. Of course compulsory education chips in later but not before huge differences in ability, socialisation and aspiration have been locked in; social inequalities are nurtured in the nursery

Rethinking child development in terms of how parents, schools and the economy fit together would surely not lead to the fragmented, service-based social policies that we now have which result in massive differences in life chances.

### *Working Age*

Following the riots in England this summer, the reflective and intelligent minister for Justice, Ken Clarke, wrote:

*The general recipe for a productive member of society is no secret.... It's about having a job, a strong family, a decent education and, beneath it all, an attitude that shares in the values of mainstream society. (The Guardian, 6 September, 2011)*

Yet for one in five of British 16-24 year olds there is no job, and in Greece it is 36%. Long spells of youth unemployment can damage future employment, a stable family life, housing prospects, and old age – both pensions in old age and the chances of reaching and surviving long in old age. In Britain, there has been a lack of training for those with least to offer employers. Social security benefits have been cut back and more conditions placed on them, often forcing young people to remain with their families rather than enabling them to move to areas where jobs might be found.

Because it has social consequences, youth unemployment has been treated as a social policy issue. Yet the underlying failure is in the economy. What are required are not only labour supply policies, but labour demand policies that can only be economic policies. What are needed are, quite simply, more jobs for young people. If, for example, £15 billion of the £75 billion that in Britain has gone into banks in the second stage of quantitative easing had been focussed on subsidising jobs for young people then every unemployed young person could have been paid £15,000 per year if they worked for an employer who took them on at zero cost to their employer; and the £15,000 could be paid into the bank accounts that the Bank of England is trying to bolster. Of course there would be displacement effects on other jobs. But one important displacement effect could be that the cost of further riots – policing, prisons, property damage, damage to victims, personal insecurity and the waste of human potential - might be averted.

If society is concerned about the cost of youth unemployment then social policies have only a small part to play in any solutions. It is for economic policies to deliver on full employment. If they fail to do so, it serves no purpose if social policy makers pretend they can do much to help. Keynes and Beveridge realised this 75 years ago. Politicians and economists, unable to think deeply or boldly enough have pushed away the problem leaving social policy to pick up the pieces.

Another issue concerned with work is the whole issue of pay differentials and economic inequality. Essentially, the labour market has been unconstrained and social concerns about the distribution of incomes have been left to tax and benefit policies. Yet government has a huge potential impact on pay differentials as a major purchaser which can impose conditions on suppliers. Some of the most extreme wealth is generated by those licensed by government to trade in water, electricity, oil and gas. The football team I support, Chelsea, has benefitted enormously in this way – leading in turn to ridiculous rewards to their leading players. It makes no sense to allow the generation – or looting since corruption is often present – of extreme wealth and then for governments to attempt to mitigate it through redistribution.

Of course the wealthiest may now channel their wealth to tax havens where they pay little or no tax. The remedy for this is effective global tax agreements that prevent massive tax avoidance. This remedy will certainly come about in time but the power of the wealthiest may delay it a long time. The principle that seems basic and is accepted even by Warren Buffet and Bill Gates must be that all should pay a fair rate of tax wherever they are domiciled for tax purposes or even if they endlessly tour the world in their floating palaces, some now docked in Piraeus harbour.

In short, economic policies have social consequences. They should be guided by the same social principles as social policies.

### *Older people*

A fundamental issue is the separation of the elderly from mainstream society, a separation in terms of economic activity, housing and social contact, that casts them as dependents, casualties of life's course, hanging around in the waiting-room of life until their end comes – a grim prospect, closer for some of us than others.

At the same time as governments are trying to reduce public sector deficits and public expenditure, they are facing the growing numbers of the elderly and the prospect of even faster growth rates of the very old and frail in need of social care. In Britain about two-thirds of social security is spent on people over working age and average health spending on pensioners is twice that on the non-retired. The number of people suffering from dementia is projected to more than double by 2051. The cost of the burden of caring for frail elderly



people has in the past been borne privately, largely by women. With the growing numbers involved and women increasingly in full-time employment, relying on private family care seems unsustainable. Yet there are few signs that people are prepared to pay ever-higher taxes that would meet the costs of universal public care.

A partial solution does seem to be offered by combining private resources – the cumulated assets –savings and property - of old people themselves – with a guarantee from the state that if care costs exceed a certain amount then the extra will be provided from public funds. In effect the risk, or actual sense of fear that many older people feel, would be taken on collectively but people would contribute some, but not all, their assets. This has been proposed in Britain by the Dilnot Commission on long-term social care. Such an approach, already adopted in a few countries, combines private and public finance in a way that addresses some of people’s genuine fears. But the Coalition government has so far done nothing; nor did the Labour government before it. Long term problems rarely get given any immediate priority.

As people have lived longer they have retired earlier and social security has made this possible. But the notion of a long period of retirement was never a goal of social policy. At the same time there is pressure to protect older people more and more. Risk must be reduced. In an interview I once asked someone who had been working in an old people’s home – the ghettoised existence where many old people end their days – if residents were able to make a cup of tea for themselves: I was told they did not need to and they might burn themselves. Similarly old people are discouraged from going out since they might catch cold. Society encourages young people to be bold, to travel abroad (and even invade Greek islands in a drunken marauding army). By contrast, old people are encouraged to be entirely passive and appreciate the care they receive. To me, preserving independence and responsibility even if there is more risk attached seems preferable to what is offered by social services. Otherwise what point is there in being alive?

#### **4. Politics and future social policy**

Social policy reflects political hopes and fears, the role people want for themselves, their communities and their nation, their willingness to act personally and their willingness to act collectively.

It is not the purpose here to try and forecast how social policy will change. Nor is it for me to say how I think it should develop. Rather the aim has been to suggest some principles that may enable social policy to thrive and sustain a much better society – although not all agree what that might be. Certainly the aim has not been to propose some utopian vision or some totalitarian prescription – changes that cannot achieve democratic support have little prospect of success or survival. But there is a need for a vision of a society that is significantly better than the situation today. As Oscar Wilde wrote:

*We are all in the gutter but some of us are looking at the stars .*

Utopian visions can inspire but they have dangers. The Webbs, founders of LSE, decided in the 1930s that Soviet Communism had achieved a New Civilisation. They were duped. Any workable policy must work with “the crooked timber of humanity”, and few were more crooked than Stalin.

I have argued that social policy is not one unending and uplifting story of progress towards some sunlit upland. In a ‘culture of contentment’ as Galbraith called it, with politicians wooing the median voter, there is simply no reason to expect that politicians will seek to, or be able to, give priority to problems of the poorest or to cause significant offence to the interests of the propertied majority or to question widespread social attitudes. Thus the uncomfortable truth is that much social policy serves to protect the interests of the affluent and to legitimate the state rather than to be a seamless route to “progress”. Spelling out who is gaining and losing and highlighting problems that are being ignored are important tasks for social policy analysts, but they are not tasks necessarily appreciated by those with power.

It has been suggested that the second half of the 20<sup>th</sup> century may have been a high-water mark of social policy in many countries with an exceptional degree of social consensus and hope for the beneficial impact of collective action and that we will in time return to a more individualistic, unequal and atomised society – the neo-liberal ideal. This may be. But while social policy will certainly change, it will not go away. In the early 1990s Amartya Sen pointed out that, without social security, Scotland, then experiencing very high unemployment, would have experienced mass starvation and the legitimacy of the government would have been challenged. Governments are reluctant to risk being overthrown and some form of social policy to legitimate the state or exercise social control to perpetuate the state will continue. But social policies can and should do far more than provide a protective veneer on the surface of deeply divided societies. They can, I believe, be a principle agent for genuine human advance for all.

In conclusion, I have suggested that for the 21<sup>st</sup> century we need to:

- first, focus on goals and how best to achieve them, not on existing service
- second, be clear what social policy can and cannot do
- third, recognise that for social goals of inclusion and justice then the economy must deliver and there must be a clear definition of personal responsibilities
- fourth, emphasise the importance of social policies not merely for social justice and individual opportunities but also for economic performance
- sixth, be clear that for social inclusion and long-term social stability certain basics are essential for all – jobs, housing, a sense of community - which depend on both social and economic policies.
- finally, for a more integrated, open world, appreciate that we must move towards more coordinated global social policies.

We are in a time of economic and political crisis. We should remember that the darkest hour is just before the dawn.

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9/11/2011

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