

The redistribution of resources by unspoken policy and other means

May 14 2019, by Nicola Holzapfel

Uruguay in 2002 is in an economic crisis that hits the poorest sectors of the population hardest, motivating people to steal en masse. In the slums of Montevideo, large numbers of people began illegally tapping electricity while the state electricity company and government merely look on, explains Laura Seelkopf. This is just one case among many contained in the volume "Social Policy by Other Means," co-edited by Laura Seelkopf, a political scientist at LMU. But can theft really be considered a social policy? For Seelkopf, the theft of electricity in Montevideo is a clear, if extreme, example of "social policy by other means." As she explains, "In the context of a less developed country, this type of political decision – namely actively allowing the theft—can be better than doing nothing at all. Frequently, so-called developing countries fail to implement anti-cyclical social policy because during a crisis they lack the funds and even the possibility of lending money on the international credit market." Permitting such things as the stealing of electricity by the poor is thus a method born of necessity that supports the redistribution of resources.

Seelkopf is a junior professor of political science at LMU. Her research focuses on situating social and fiscal policies in a global context. In Germany, [social policies](#) are viewed as the clear responsibility of the state. Citizens are safeguarded and protected from risks like sickness, poverty, and unemployment, and from the possible consequences of an [economic crisis](#), through a state health and retirement system. Such a system is financed by contributions to social security or taxes. "That ignores the fact there are many different types of policies that also fulfill

these responsibilities, as comparisons from history and from other parts of the world reveal," Seelkopf says.

Looking at Australia and Singapore

In the 1980s, the Australian political scientist Francis G. Castle from the Australian National University in Canberra coined the term "social protection by other means" to account for state regulations in Australia and New Zealand. In an historical analysis, he showed how both states, by regulating the labor market, trade, and immigration, were able to ensure social equality without being classic welfare states.

"Or take the example of Singapore," says Laura Seelkopf. "If you view it through the usual social [policy](#) lens, it looks as if they do not have a welfare state of any sort. State expenditures are very low. The state does, however, regulate health care and housing. This makes it possible for people with low incomes to have their own apartments and, not least of all, because of the good health-care system, the population has one of the highest life-expectancy rates in the world."

For Seelkopf the notion of "social policy by other means" is a way to broaden the academic perspective: "Research about social policy has been strongly influenced by the European experience. It focuses foremost on what took place in developed democracies after the Second World War. Digitalization has accelerated this because it has made it easier to access the relevant data. To be able to make comparisons, it is necessary to establish clear boundaries, and thus exclude other policies. It is, for example, much easier to measure state expenditures than regulations across countries."

The state does not always play the main role

In Germany and other European states, there have been, and still are, types of social policy that are not carried out by the state. "Often it is assumed that in the 18th and 19th centuries there was no welfare state at all. That is not the case, however. In Belgium, for example, there existed early on state regulations, such as the way churches ran hospitals and were often financed by the state. And that has continued to this day," says Seelkopf. "The Belgian and German states as well as other countries in Europe are, contrary to the way in which they are often perceived, not purely state run welfare states. It is a historically developed mixture of policies made by different actors. The state regulates, but it is not the case that it always plays the main role." Thus, in Germany, churches that run nursing homes receive financial support from the state.

Even the regulation of immigration in order to acquire caregivers might also, according to Seelkopf, be seen as "social policy by other means." The same could be said of immigration policy, which should be considered as an anti-cyclical measure taken to stabilize the economy during a phase of instability. According to the prevailing, very narrow, definition of social policy anything that is not directly financed by the state disappears from view. "Up to now there has been no way to assess which social policies exist and in which countries, and how relevant these policies are for the protection of the population," says Seelkopf.

In countries with a large agrarian sector, for example, it is still common practice to subsidize food so that consumers can afford groceries. In addition, in Turkey for instance the government has long tolerated illegal construction on state land. "In the 1980s this so-called squatter-housing was even legalized retroactively," says Seelkopf. "Since then there has been a strong shift in Turkey toward social policy that is more in line with the classical European model."

A question of alternatives

From the citizens' point of view, a welfare state's traditional social policy is not necessarily the best option. On the contrary, there are various ways to achieving social justice. As Seelkopf explains, "You cannot generalize by claiming that every form of social policy by other means is worse than the traditional form. And even if this is the case, the example from Uruguay shows that one has to consider whether or not traditional state-financed redistribution is a real possibility in this context."

The global perspective on social policy is relevant not only for academic analysis but for programs sponsored by international organizations, like the International Monetary Fund (IMF), that expect analyses to take country-specific particularities into account. "In the past, the IMF had often disseminated a one-size-fits-all solution or specified examples of best practices. But the question is whether or not examples of best practices can even work at all," says Seelkopf, whose research on "social policy by other means" shows that "there is not one standard type of social policy that is the right one, and certainly there is not one that is the same everywhere. The right choice depends on local conditions."

More information: Laura Seelkopf et al. Social Policy by Other Means: Theorizing Unconventional Forms of Welfare Production, *Journal of Comparative Policy Analysis: Research and Practice* (2019). [DOI: 10.1080/13876988.2019.1574089](https://doi.org/10.1080/13876988.2019.1574089)

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