

**Shifting Social Welfare Paradigm –
From Redistributive Welfare
to Social Investment**
演變中的社會福利政策思維 -
由再分配福利到社會投資

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Introduction

- What is welfare? – a contested concept
- Lessons and learning from development in welfare states
- A cross-sector road map, common language and mainstream consensus for future welfare development in Hong Kong
- Social policy as investment in human and social capital.
- Integration of social policy and economic policy: social policy as a productive factor and social and economic costs of non-social policy.



Traditional Welfare States

- Addressed the diswelfare arising from economic growth. State intervention compensates market failures and imperfections.
- Based on full employment, economic growth, moderate demands, and continuous family obligations and community support.
- Welfare as an expression of altruism, looking for a more equal and cohesive society. “Public good, private bad,” “tax and spend”, stress on rights and entitlements, trade-off with economic growth. Sustainability?



New Right

- Welfare state inefficient, paternalistic, stifling entrepreneurial spirit, creating welfare dependency, not sustainable.
- Market-oriented reforms, reducing state intervention, privatization, cutting welfare expenditures to enhance competition.
- Create insecurities, widen inequalities, destabilizing, insufficient to build a successful economy.



New Risks

- Globalization – new economy, labor market shift, maintaining the competitive advantage is the topmost concern.
- Weakened families, poorly functioning labor markets, aging society – increase welfare expenditures. Declining revenue and economic growth, and increasing budget deficits – limits on the capacity of government intervention.
- New Risks – a stronger sense of insecurity and vulnerability



A New Social Policy Model (The Investors)

- Harmonizing the two contrasting views
 - Academics, J. Midgley, P. Taylor-Gooby, and A. Giddens
 - Governments (U.K.) and International bodies (OECD, EU).
- Social policy and economic policy should be integrated and complementary. Social policy seeks ways to enhance social and human capital and capacities to participate in the productive economy.



Social Development (J. Midgley)

- Face with the need to legitimate social welfare:
“social development offers an alternative perspective on redistribution that **emphasizes resource allocation to social programs that are productivist and investment oriented and that enhance economic participation and make a positive contribution to development**”
- Strategy – investing in human capital, employment and self-employment programs, social capital formation, asset development, cost-effective social programs, and removing barriers to economic participation.



New Welfarism – Taylor-Gooby

- Economic globalization, labor market flexibility, more complex patterns of family life and the dissolution of traditional class structures require a new welfare settlement. Since full employment, redistribution and expensive universal services are no longer seen as feasible, **the new welfare can only justify social spending as investment in human capital and the enhancement of individual opportunities.** Welfare states are all driven in the same direction by the imperatives of international competition.



Social Investment State (Giddens)

- Social investment state which will promote positive welfare, to which individual themselves will contribute and which is functional for wealth creation.
- **Positive welfare allows individuals and groups to make things happen rather than have things happen to them. Autonomy, active health, life-long learning, initiative and risk taking as well as protection from risk.**



OECD

- Old welfarism of full employment, universal basic state services is challenged by the new welfare of investment in social infra-structure, selectivity, opportunity and the mixed economy of private and public provision. Welfare spending is justified through its contribution to economic success.



European Union

- Maintaining competitive advantages – comparing with US.
- The role of social policy is to provide a framework which enables the fullest participation in all aspects of society for its citizens – supporting them in their efforts to balance work, learning care, care for dependents and leisure.
- Costs of non-social policy – higher crime rates, social disturbance, and social unrest. Social cohesion contributes to positive social climate for investment and employment. Long-term benefits of investment.



The Third Way (Giddens/ Blair)

- New Labor/ left of center ideology
- No rights without responsibilities (balance)
- Not an egalitarian society (outcome) but equal in opportunity
- Investment in skills and capabilities, life long learning
- Promoting independence mainly through employment – “Making work pay” (incentives)
- Partnerships with civil society and private sector



A New Social Contract (Giddens)

- Often we have spelled out the rights much more than the responsibilities. **People should assume responsibility for the consequences of what they do, in respect both of themselves and others. Allocating citizens rights of provision, especially welfare rights, without spelling out of responsibilities, creates major problems of moral hazard in welfare systems.**
- Active citizenship and active welfare – from passive income maintenance to active investment and economic participation.



Workfare – Welfare to Work

- Work first approach – “rebuild the welfare state around work.” “Ending welfare as we know it”, “making work pay” “Work for those who can; security for those who cannot”.
- Ending entitlement and emphasizing conditionality.
- US TANF (Public Assistance) introduce time-limits, job-focused assistance
- Decline in caseload, move people into employment, no indication of negative effects on child development due to parental employment.



Contributions of Social Capital

- Economic growth; reduce suicide; promote health, increase life expectancy; enhance education, school achievement; reduce crime; enhance employment and job search; alleviate poverty; reduce child abuse; promote quality of life and life satisfaction
- Risks of promoting bonding social capital without bridging and linking social capital



Implications for Hong Kong

- Social investment may have varied meanings, no unified applications.
- No direct application of the concept to Hong Kong.
Looking into the future by learning from the past – what are the strengths and weaknesses of the existing system? Can it face new future challenges?



Responsibility for All

- Strategy – active employment programs for the disabled, the young, the young old, single parents, and the unemployed, investment in children and child care programs, life-long learning, active aging, family-friendly employment policy, volunteer development, corporate social responsibility, engaging users, partnership development, and community building.
- New paradigm to see economic growth and welfare development not as conflicting and competitive. **A new language to appeal cross sector collaboration in welfare development – responsibility for all.**

