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# **A COMPARATIVE WELFARE REGIME APPROACH TO GLOBAL SOCIAL POLICY**

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## **SUMMARY**

Beginning from the framework of welfare state regimes in rich capitalist countries, this article radically redefines it and applies the new model to regions and countries which experience problematic states as well as imperfect markets. A broader, comparative typology of regimes (welfare state, informal security, insecurity) is proposed, which captures the essential relationships between social and cultural conditions, institutional performance, welfare outcomes and path dependence. Using this model, different regions of the world (East Asia, South Asia, Latin America and sub-Saharan Africa) are compared. For many poorer, partially capitalized societies, people's security relies informally upon various clientelist relationships. Formalizing rights to security via strategies for de-clientelization becomes a stepping stone to protecting people against the insecurity of markets.

## **KEYWORDS**

Asia

Africa

Latin America

Welfare regimes

Social policy

Insecurity

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# **A COMPARATIVE WELFARE REGIME APPROACH TO GLOBAL SOCIAL POLICY**

## **1. INTRODUCTION**

In the West and some other advanced capitalist countries, many of the security needs of individuals have come to be provided through formal ‘welfare states’, embracing a combination of pensions and social protection benefits, social services and labor market regulation. It is of course recognized that such state activities are embedded within financial and other markets and family/household systems; the resulting ensemble usually dubbed ‘welfare state regimes’.

According to an influential conceptual framework, the impact of such regimes can be analysed in terms of ‘de-commodification’—the extent to which the state sets limits to the treatment of humans as mere commodities within capitalist labor markets. In many poor developing countries, by contrast, both states and markets are sufficiently problematic to the pursuit of livelihoods that people have to rely to a greater extent upon informal relationships. These can be reciprocal within small scale communities, but in the wider society these relationships are more likely to be hierarchical and thus clientelist, reflecting severe inequalities in the control over resources and institutions (UNDP, 2002).

Of course, such a simple contrast has to be refined. In more successful parts of the developing world, rapid capitalist development has eroded absolute poverty, but frequently at the same time heightened insecurity and vulnerability. Elsewhere, managed development and growth, in parts of East Asia for example, has improved human welfare. However, we have to recognize new hazards of insecurity (ILO, 2004) and new challenges to well-being, alongside pre-existing ones, in what is essentially still an unregulated global capitalist system. Yet, given this scenario, few

attempts have been made to discuss non-western social policy experience in a comparative way. In this paper, we offer a framework and taxonomy for analyzing generic ‘welfare regimes’ under different sets of societal conditions. In the process we develop a parallel criterion of ‘de-clientelization’ to complement ‘de-commodification’ and to express a continuum of welfare options. In another discourse, familiar to some readers, this could be re-stated as social development (in the sense of enabling autonomy or empowerment) *enroute* to social policy understood as an acknowledged public system of rights and obligations involving state provision and the regulation of markets.

In pursuit of this general argument, we develop a new conceptual framework within which to consider a wider range of institutions than is normally acknowledged in social policy discourses. Notwithstanding the unifying and converging forces of global capitalism, we emphasize the variegated and path-dependent patterns of development or underdevelopment across different zones of the world. This builds a middle-range theory of ‘welfare regimes’, which opposes both teleological functionalist approaches (as in liberal modernization and Marxist stances) on the one hand, and post-modern approaches emphasizing 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 Center (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 that sense, they are the outcome of country or region-specific political settlements.

Our approach is to 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 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 colonized, the combined and unequal organization 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.<sup>1</sup>

The experience of poorer countries in the South, and now of transitional countries, reminds us of the central contribution of personal and family resources to the universal human need for security.<sup>2</sup> Outside the West, the preoccupation with security is more starkly observed as a fundamental driver of human survival behavior 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 altogether absent. The legitimacy and governance of public institutions are too contested and personalized 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 from the state. This is where the knowledge derived from poverty-focused studies in poor countries questions the institutional assumptions of Western social policy.

In accepting certain facts about globalization, we are essentially settling for a principle of social capitalism, or mixed economy capitalism. We are also accepting that neither markets, nor states, nor communities alone can provide an adequate framework for meeting human needs (Gough, 2000, ch. 2). Thus political economies which manage (by default or deliberation) to mix these three institutional domains 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 characterized by extensive private property, in other words a capitalist framework. However, agreeing with Polanyi, capitalism needs to be regulated in order to achieve equitable social objectives and secure welfare outcomes for all. This has been, and continues to be, the 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 commodification? This question represents our key point of departure for analyzing the relationships between the institutional options for poverty eradication in different sets of socio-economic conditions within the global political economy.

Five specific principles underpin our wider, comparative framework. First, that states in poor countries have problems of legitimacy and that well-functioning labor and financial markets are not pervasive. Second, that these problematic conditions limit the capacity of the state to act in a compensatory way for the inequitable outcomes of the market in highly unequal societies (unequal in both a vertical and horizontal sense). Thirdly, that a comparative conception of social policy has to embrace non-state centered actors. This implies, fourthly, that rights and entitlements may also be found (in some instances, securely) in the informal domains of social relationships and cultural expectations. Some of these domains are more formally organized (churches and mosques, charities, NGOs and philanthropy generally), while others are more personalized in a range of clientelist and reciprocal (perhaps kin) arrangements. Finally, attached to the notion of 'regime' is the assumption of path dependency, whereby outcomes from political economy and the deliberate interventions of state and non-state actors reproduce stratification, inequalities and power differences. Within this there is some variation: simple reproduction totally enshrines path dependency, whereas 'extended reproduction' introduces possibilities of new mobilizations, identities and solidarities with the potential to alter the regime's direction.



These arguments are developed and defended in the following sections. First, we distinguish welfare regimes from welfare state regimes, and go on to define two new meta-regimes: informal security regimes and insecurity regimes. Second, we provide a theoretical framework to understand and analyze all regime types, and spell out in more detail the community and global dimensions of our approach. Third, we provide empirical evidence to support the regime framework, of two kinds: a large-N cluster analysis to identify different regime types across the world, and summaries of four regional case studies, covering Bangladesh and South Asia, Latin America, East Asia, and Africa. Lastly, we propose a strategy of *de-clientelization* as the route to move informal security regimes towards decommodifying welfare state regimes. This strategy is derived from our central premise that formally guaranteed rights to welfare and employment security, embodied in legitimated states and regulated labor markets, will always be superior to a clientelist, or even reciprocal, system of informal rights which deliver dependent rather than autonomous security. We conclude by re-affirming that position.

## 2. THE THREE REGIMES

In adopting a regime approach we are placing ourselves within the historical-institutional school of social research. This integrates structures and actors within a framework which promises a comparative analysis of socio-economic systems at different stages of development and different positions in the world system (Giddens, 1971; Gough, 2000, ch. 2). Similarly it seeks to reconcile the rival ‘structural’ and ‘actor’ approaches within development sociology (Buttel & McMichael, 1994; Long & van der Ploeg, 1994). We recognize that structures are socially constructed, reproduced and changed through the actions of people in real time, but that, at given points in

time, actors occupy different interest and power positions within structures, giving them different goals, levels of autonomy and clout.

‘Regime’ refers to a set of rules, institutions and structured interests that constrain individuals through compliance procedures (Krasner, 1983 pp. 1-3; North, 1990, pp. 200-202). Analytically speaking these rules and norms may be imposed from above using forms of political power, or they may ‘emerge informally’ out of regular face-to-face interaction. Empirically there is an interaction between the two: regimes are always related to issues of power, conflict, domination and accommodation (O’Connor, Orloff & Shaver, 1999, ch. 1). Regimes tend to reproduce themselves through time as a result of the way that interests are defined and structured. In situations of rapid change, disruption or crisis regimes can break down, to be replaced by a different regime or by regime competition or by institutional breakdown.

In order to use this framework to analyze issues of welfare and security we modify Esping-Andersen’s (1990, 1999) concept of ‘welfare state regimes’ and his analysis of the ‘three worlds of welfare capitalism’ in the West (Wood, 2003b; Gough & Wood *et al.*, 2004). Esping-Andersen’s concept of welfare state 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.<sup>3</sup> Second, 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’. Third, it identifies a process of de-commodification through state action and measures this as the degree of social protection provided against total dependence on market forces. The OECD countries vary greatly here. Fourth, in these circumstances social policies not only reflect but reproduce ‘stratification’ outcomes in terms of power, as well as class and other forms of inequality. 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 distinguished three welfare state regimes in the OECD world, which he labels liberal, conservative and social democratic.

However, we want to probe further the *common* features underlying all these varieties of welfare state regime. We contend that the following nine elements are integral to the welfare state regime paradigm.

1. The dominant mode of production is capitalist. There is a division of labor based on the ownership or non-ownership of capital; the dominant form of coordination is *ex post* via market signals; the technological base is dynamic, driven by a never-ending search for profit.
2. A set of class relations is based on this division of labor. The dominant form of inequality derives from exploitation of wage laborers by owners of capital and land.
3. The dominant means of securing livelihoods is via employment in formal labor markets; conversely, the major threats to security stem from interrupted access to labor markets, due to ill health, old age, unemployment or other contingencies.
4. Political mobilization by the working classes and other classes and the ensuing democratic class struggle shapes an inter-class 'political settlement'.
5. There is a relatively autonomous state bounded by the structural power of capital but open to class mobilization and voice and able to take initiatives on its own behalf.
6. These factors, together with inherited institutional structures, shape a set of state institutions and practices which undertake social interventions. This state intervention combines with market and family structures and processes to construct a 'welfare mix'.

7. This welfare mix de-commodifies labor to varying degrees (and provides social services as well as investing in human capital).
8. Together the welfare mix and welfare outcomes influence the definition of interests and the distribution of class power resources which tend to reproduce the welfare regime through time.
9. Within each regime, 'social policy' entails intentional action within the public sphere, normally intended to achieve normative, welfare-oriented goals.

*Each one* of these elements must be re-examined when our attention turns from the North to the South. There is not the space here to elaborate this in detail; rather the results of our interrogations are summarized in Table 1. The upshot is that, alongside the above *welfare state* regimes, we identify two other quite different meta-welfare regimes: *informal security* regimes and *insecurity* regimes (Gough & Wood *et al.*, 2004, part I). 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.

**Table 1 here**

*Informal security regimes* describe institutional arrangements where people rely heavily upon community and family relationships to meet their security needs, to greatly varying degrees. These relationships are usually hierarchical and asymmetrical. This results in problematic inclusion or adverse incorporation, whereby poorer people trade some short-term security in return for longer-term vulnerability and dependence. The underlying patron-client relations are

then reinforced and can prove extremely resistant to civil society pressures and measures to reform them along welfare state lines. Nevertheless, these relations do comprise a series of informal rights and afford some measure of informal security.

*Insecurity regimes* describe institutional arrangements which generate gross insecurity and block the emergence of stable informal mechanisms to mitigate, let alone rectify, these. These regimes arise in areas of the world where powerful external players interact with weak internal actors to generate conflict and political instability. Insecurity regimes are rarely confined within national boundaries. The unpredictable environment undermines stable patterns of clientelism and informal rights within communities and can destroy household coping mechanisms. In the face of local warlords and other actors, governments cannot play even a vestigial governance and security-enhancing role. The result is a vicious circle of insecurity, vulnerability and suffering for all but a small elite and their enforcers and clients.

Thus we retain the idea of ‘welfare regime’ to refer to repeated systemic arrangements through which people seek livelihood security both for their own lives and for those of their children, descendants and elders<sup>4</sup>. 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, especially a history reflecting the interrelation in different epochs between domestic institutions and the global economy. Those interrelations 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 generalized 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.

Of course, reality is more complicated than such a classification, in the sense that regions or countries within them can combine elements of all three types 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 personalized politico-militia patrons, in which a sense of insecurity 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.<sup>5</sup>

### 3. THE THEORETICAL FRAMEWORK

We derive these broad types of welfare regimes within a theoretical framework presented in Figure 1. It comprises four components: the institutional framework, the institutional responsibility matrix (IRM) or welfare mix, the welfare situation of the population, and the pattern of stratification and mobilization.

**Figure 1 here**

Let us begin at the bottom right of Figure 1 with the final evaluative principle: the *welfare outcomes* of the population. These refer to the extent of poverty and other measures of low or inadequate resources, the need-satisfactions of the population (the extent to which their basic and intermediate needs are met), and the insecurity they experience. These welfare outcomes are

explained most immediately by the *IRM* or *welfare mix* (top right of Figure 1). This is the institutional landscape within which people have to pursue their livelihoods and well-being objectives, referring to the role of government, community (informal as well as organized, such as NGOs and Community Based Organisations), private sector market activity, and the household in mitigating insecurity and well-being, alongside the role of matching international actors and processes. The welfare mix in turn is greatly shaped by the basic *institutional conditions* in a country (top left of Figure 1): the pervasiveness and character of markets, the legitimacy of the state, the extent of societal integration, cultural values and the position of the country in the global system. Finally, the *stratification* system and pattern of *political mobilization* by elites and other groups (bottom left of Figure 1) is both cause and consequence of the other factors. The stratification system refers to the existing distribution of power in society and the range of societal inequalities. These shape—but do not determine—the attendant mobilizations of different groups and coalitions. These will frequently reproduce the institutional conditions of the society, but they may act to undermine them and thus alter the welfare mix and patterns of welfare of the country. On the other hand, the welfare mix and welfare outcomes also influence the nature of political mobilizations in the future.

Within this framework, two features of the institutional responsibility matrix are especially innovative: the community and global dimensions. In Esping-Andersen's approach 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 and transitional countries, we transform his *triad* of state-market-family into an *octagon* (see above, Figure 1, top right box). First, we add a 'community' domain to the other three. The notion of community here refers to the multitude of sub-societal organizational 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'. But here, we add a global

dimension, recognizing that poorer, and now transitional, 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 organizations; international NGOs and other ‘voice’ organizations; and the ‘internationalized household’—trying to avert risk predominantly through migration and remittances.

Four 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 fulfillment 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 sociological rather than essentially legal discourse about rights. And we also recognize that rights and correlative duties in all four domains may degrade and break down. This, alas, is the institutional reality for many of the poorest parts of the world whether in sub-Saharan Africa (Bevan, 2004b), 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, more organized and purposive ones (civil society organizations, including non-governmental organizations). 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 informal and formal rights and correlative duties clearly extends beyond the domestic arena; 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*, 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.<sup>6</sup> While there is truth to this argument, this truth re-affirms permeability rather than challenges it. So, in developed, politically settled, 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 IRM. 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. It is the qualified freedom of much bourgeois political philosophy.

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 the domestic components of the IRM exhibit failures. Markets are imperfect, communities clientelist and socially exclusive<sup>7</sup>, households patriarchal and states marketized and/or patrimonial. Under such conditions, how does it make sense to expect the state to disentangle itself from deep social and political structures and function to compensate for them? As Poulantzas (1969) 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). We return to this issue in the final section.

#### 4. MAPPING WELFARE REGIMES

We adopt two methods to empirically ground this analysis. First, Gough (2004c) uses measures of two components of welfare regimes noted above—welfare mix and welfare outcomes—to undertake a simple cluster analysis of a large set of countries outside the OECD area. Second, our collaborators researched and wrote detailed studies of three world regions (Latin America, East Asia, Africa) and one country within South Asia (Bangladesh). We summarize these in turn.

The cluster analysis aims to explore cross-national patterns of welfare mixes and welfare outcomes: unlike much regression analysis the goal is to reveal patterns of difference as much as relations of similarity. We rely on commonly available data covering all the transitional, underdeveloped and developing countries outside the OECD, though inevitably their validity, reliability and comparability are open to question. To keep the analysis simple, the exercise below uses just two indicators of the welfare mix and one measure of welfare outcomes. The former combines the domestic state, international state and household components of the mix: (1) public

spending on health and education as a share of GDP; and (2) the sum of international inflows of aid and remittances as a share of GNP. As an indicator of welfare outcomes we use the widely-known HDI. Applying k-means cluster analysis yields four identifiable clusters, shown in Table 2 below.

**Table 2 here**

At a very crude level of interpretation we may label these clusters as follows:

1) *Actual or potential welfare state regimes*: with high state commitments and relatively high welfare outcomes. This cluster includes much of Central Europe (with some representatives in Eastern Europe); the southern cone of Latin America; Kenya, Algeria and Tunisia in Africa, and Thailand.

2) *More effective informal security regimes*: with relatively good outcomes achieved with below-average state spending and low international flows. This includes parts of Southeast Asia, Sri Lanka, the remaining countries of Latin America for which we have data, together with parts of the Middle East.

3) *Less effective informal security regimes*: with poor levels of welfare coupled with low public commitments and moderate international inflows. This cluster comprises South Asia (excluding Sri Lanka) and certain countries in sub-Saharan Africa.

4) *Externally dependent insecurity regimes*: heavily dependent on aid and/or remittances with very poor welfare outcomes. This comprises the bulk of sub-Saharan Africa as revealed in available data.

More detailed description of regime types in different regions of the world can be summarized as follows.

#### a) Bangladesh and South Asia

In the discussion of the informal security regime above, we recognize 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 recognizable 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’ (with relative autonomy—see Alavi, 1972) alongside absent or uneven capitalist development and large scale rural and rising urban poverty. Under these conditions, the state has also been characterized 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 realized without losing comparative advantage. This is the contradictory fix for many similar societies.

Under such conditions, deep social and political structures continue to define the relationship between rights and correlative duties as highly personalized, segmented, preferential, discretionary and clientelist, as patrons of various kinds<sup>8</sup> 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 discourse. Davis (2004) has argued that there is a lack of a citizenship link between the foreign funding of development and social sector programs and their disbursement<sup>9</sup>. 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-clientelization rather than de-commodification as the prime task of social policy.

#### b) Latin America

Latin America reveals similar patterns of informalization 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 much earlier decolonization and political independence together with the subsequent emergence of export economies and partial industrialization. This fostered a capitalist class and an urban proletariat alongside the land-owning class and a hard-pressed peasantry, manifesting problems of vertical and horizontal integration. 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 characterized the Southern Cone countries as welfare states (Huber, 1996). However, the dualized economy left the mass of informal sector workers (peasants, landless laborers, urban unemployed and marginal workers) unprotected, reliant on unregulated labor markets, residual public assistance programs 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 1970s and 1980s as import substitution (increasingly ill-adapted to the liberalization 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 & 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 labor 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 programs and forms of social development to emerge. Unlike South Asia, there is a tradition of extensive state-induced social policy to refer back to.

### c) East Asia

The middle-income countries in East Asia<sup>10</sup> 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 labor over many decades under state guided pursuit of economic growth as the main policy goal, with the emergence of marketized 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 land and income distribution, attributable in part to post 2<sup>nd</sup> world war 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 marketized provision and, in Korea, enterprise welfare.



However, the sustainability of this regime and the threats to welfare are now open to doubt because of its vulnerability in the East Asian financial crisis of 1997 when 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 democratization 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.

#### d) Stretching the typology: insecurity regimes

Some commentators<sup>11</sup> are prone to divide the world's 6 billion population into three parts in the ratio 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 21<sup>st</sup> century.

This final one billion is significantly concentrated in sub-Saharan Africa, which has been characterized by Bevan (2004b) as a regional insecurity regime with high uncertainty, and clearly representing problems of vertical and horizontal integration. She develops a generic model of 'in/security' regimes (Bevan, 2004a) which has more relevance to peripheral, dangerous and

powerless zones of the world system, not only in sub-Saharan Africa (see Figure 2). 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 organizations, 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 mobilization 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 recognizable 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.

Furthermore, one may question, especially in sub-Saharan Africa, whether the regime label can be confined to the national level. Bevan argues that major areas of Africa resemble more an open field of play for powerful external interests. Many states are ‘incoherent’ in two senses: they are not institutionally differentiated from the societies within which they are embedded, 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 summarize this description of sub-Saharan Africa and regions with similar conditions, 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 behavior 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—i.e. problematic horizontal integration. 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.

Putting together the cluster analysis and regional case-studies we tentatively propose the following taxonomy of welfare regimes across the globe; see Figure 2.<sup>12</sup>

**Figure 2 here**

## 5. DE-CLIENTELIZATION

We are arguing, from a wider comparative welfare regime perspective, that significant parts of the world are characterized by informal security and insecurity regimes, much more reliant upon unorganized community or organized aspects of civil society. Thus the principal focus for social policy has to shift from de-commodification towards *de-clientelization*. If informal arrangements within the community are characterized by patron-clientelism, we must then look to de-clientelization as the basis of improving the quality of rights and correlative duties. This term is deliberately etymologically constructed as a conceptual alternative to de-commodification. It refers to the process of de-linking client dependents from their personalized, arbitrary and discretionary entrapment to persons with intimate power over them. There is a need to dis-establish clientelist forms of representation and provisioning and establish more formal rights to welfare and security. Institutionalized micro-credit has been a classic widespread attempt at de-linking poor people from rapacious and usurious moneylenders. Mutual assurance societies, cooperatives, trades unions and other civil society forms of mobilization are all contributors to the principle of de-clientelization. In this argument, social movements of empowerment become a precondition for the evolution of a statutory rights-based social policy.<sup>13</sup> The central problem for

poor people is whether they can risk such a process of de-clientelization if the alternatives are unknown and uncertain. A policy of de-clientelization can only be ethically contemplated if the processes that achieve this outcome also offer alternative welfare functions, effectively delivered. This is a tall order.

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 an account of social policy in the West as the product of a dual movement: pressures from below and reforms from above (Gough, 1979, ch. 1). We 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 proletarianization of labor. As we learn from Marx, mature capitalism brings about the social conditions under which alienation becomes a shared experience and labor can be organized to confront or remedy that alienation. Thus the forms of public action that brought about the 'welfare state' included struggles of the increasingly organized labor movement. In many northern European countries, these developments were linked to a range of other class mobilizations, 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 exhibiting 'enlightened self-interest', recognizing the various 'functions' that social policies can perform and their beneficial results for accumulation, legitimacy and stability to pursue 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 programs (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 urbanization. 'Concessionary capitalism' tends to formalize 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 organized labor? Outside a few areas, no; so we have to search for public action in other quarters. How, then, 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 international financial institutions. 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 judgment between gloomy academics on the one hand (Wood, 2000; Cooke & 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. The 'de Tocqueville' understanding of civil society as critical and independent, able to exert restraining pressure upon the state (Davis & McGregor, 2000), confronts the hegemonic pessimists.<sup>14</sup> At the same time, the preoccupation with hegemony overlooks 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 labeling, Wood (1985) also points out that ‘targets strike back’. In other words, the ways in which the state might seek to organize and re-organize its population for convenient, limited policy concessions can itself produce new solidarities and social bases for critical social action—a process of extended, or dynamic reproduction.

One way or another, the achievement has been to organize solidarities outside the category of organized labor. Post-class analysis has drawn our attention to these possibilities as identities and interest groups outside the historic capital-labor confrontation have emerged as significant. This has been reinforced by the evidence from transforming, recently agrarian, societies where peasants, quasi peasants, tenants, landless agricultural labor, informal sector workers, migrants, and women from these categories have been mobilized in the ‘reformist’ era following the great ‘peasant’ revolutions associated with Russia, China, Mexico, Vietnam *inter alia* (Webster & 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—and privately protected—wealth. A social policy agenda in poor countries 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 it needs to pursue a regime change, in which the elite’s correlative

duties are expanded in response to rights claimed by others. In a nutshell, the transformation of informal security regimes into welfare state regimes entails a subtle and complex process of de-clientelization.

Finally, 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 recognized. 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.

## 6. CONCLUSION

Our argument 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. Are we simply repeating a liberal modernization mantra and in effect unfavorably 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 globalization reproduces a homogeneity of modern social systems. On the other hand, we do claim that the ‘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 universal human needs including those for security. That condition must be better for most people than either the clientelist, though partially protected, conditions of ‘informal security’, and certainly better than the persistent instability and violence of ‘insecurity’ regime types.

Yet we are not suggesting a global program 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 globalization, and as a result are able to construct different welfare mixes. 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.<sup>15</sup> This relativism essentially reflects the basic ways in which poverty needs to be understood in different sets of societies, leading to the conceptual basis for defining appropriate security of welfare, and the institutional room for maneuver 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 with Western social policy. The relationships between rights and correlative duties have to be sought more subtly and supported in ways which do not presume the absolute authority of the state and which respect the sustainable contribution of other agencies.

## Notes

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<sup>1</sup> Cf. Therborn (1992) on the four paths to modernity.

<sup>2</sup> Wood (2001) would offer ‘security’ alongside Doyal and Gough’s (1991) ‘autonomy’ and ‘health’ as a universal human need. For them, childhood security, physical and economic security are intermediate needs contributing to these basic needs.

<sup>3</sup> This feature poses immediate problems for the biggest developed country of all—the United States—where 45 million lack health insurance and two million, mostly poor and black, are in prison. Is this a welfare state or a ‘carceral state’?

<sup>4</sup> See Collard (2000) for an analysis of the inter-generational bargain.

<sup>5</sup> This method resembles an Althusserian Marxist approach which conceives of a social formation embracing several co-existing modes of production, but identifies the formation with the dominant mode of production in a particular epoch (Brenner, 1977).

<sup>6</sup> Indeed, it is this Polanyian assumption which underpins the de-commodification basis of Esping-Andersen’s welfare state regime approach.

<sup>7</sup> And of course, racially, ethnically and linguistically too—the problem of horizontal integration.

<sup>8</sup> Urban broker-patrons or ‘touts’ are known in Bengali as *mastaan*.

<sup>9</sup> This has long been argued by nationalists in Bangladesh. They consider that the high dependence on aid has weakened voice and civil society development in the country.

<sup>10</sup> With the exception of the Philippines and excluding consideration of China.

<sup>11</sup> 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.

<sup>12</sup> But this excludes the Middle East and North Africa and some other sub-regions of the world.

<sup>13</sup> This could be understood as a bottom-up process of realizing an Hegelian objective of political order, seeking to overcome problems of vertical and horizontal integration as the precondition for rights-based welfare.

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<sup>14</sup> For example: 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.

<sup>15</sup> 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' (p. 291).

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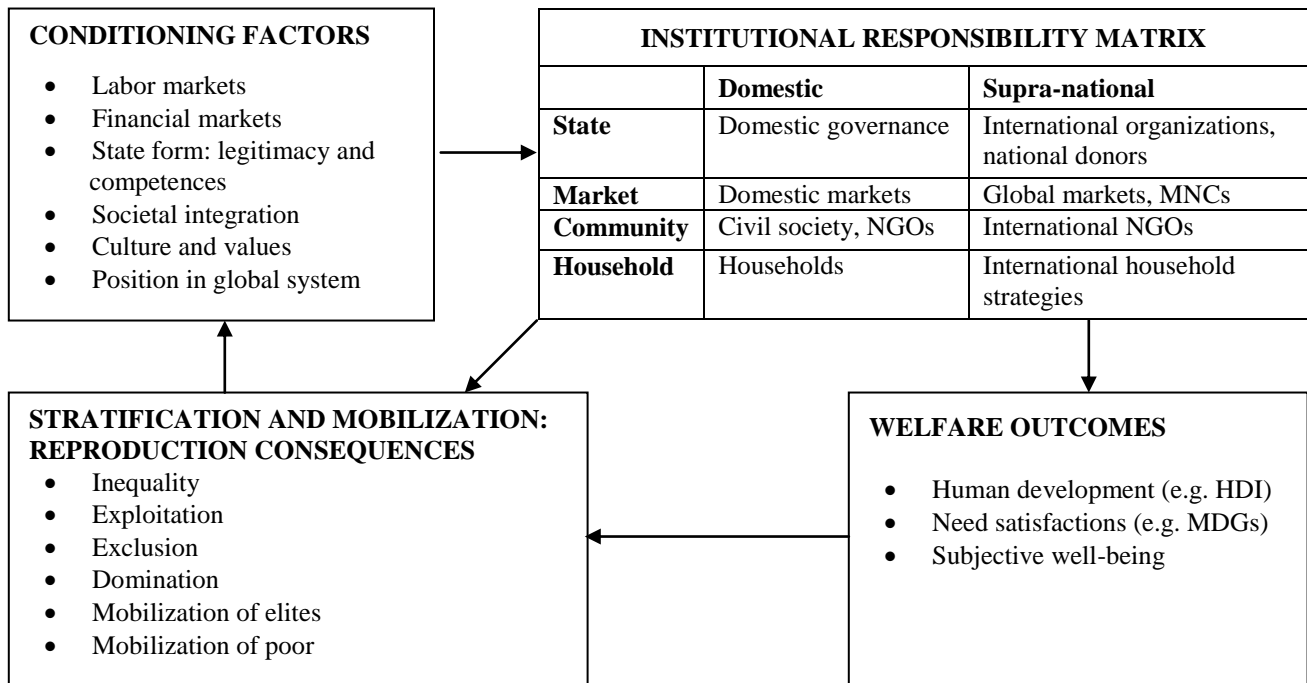
**Table 1. The comparative welfare regimes framework**

	<b>Welfare State Regime</b>	<b>Informal Security Regime</b>	<b>Insecurity Regime</b>
<b>Dominant mode of production</b>	Capitalism: technological progress plus exploitation	Peasant economies within peripheral capitalism: uneven development	Predatory capitalism
<b>Dominant social relationship</b>	Exploitation and market inequalities	Variegated: exploitation, exclusion and domination	Variegated forms of oppression, including destruction
<b>Dominant source of livelihood</b>	Access to formal labor market	A portfolio of livelihoods	A portfolio of livelihoods with extensive conflict
<b>Dominant form of political mobilization</b>	Class coalitions, issue-based political parties and political settlements	Diffuse and particularistic based on ascribed identities: patron-clientelism	Diffuse and fluid, including flight
<b>State form</b>	Relatively autonomous state	'State' weakly differentiated from other power systems	Shadow, collapsed and criminal states with porous, contended borders
<b>Institutional landscape</b>	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
<b>Welfare outcomes</b>	Varying degrees of de-commodification plus health and human investment	Insecurity modified by informal rights and adverse incorporation	Insecurity: intermittently extreme
<b>Path dependent development</b>	Liberal, conservative and social democratic regimes	Less autonomous path dependency with some regime breakdown	Political disequilibrium and chaos
<b>Nature of social policy</b>	Countervailing power based on institutional differentiation and positive permeability	Less distinct policy due to permeability, contamination and foreign actors	Absent

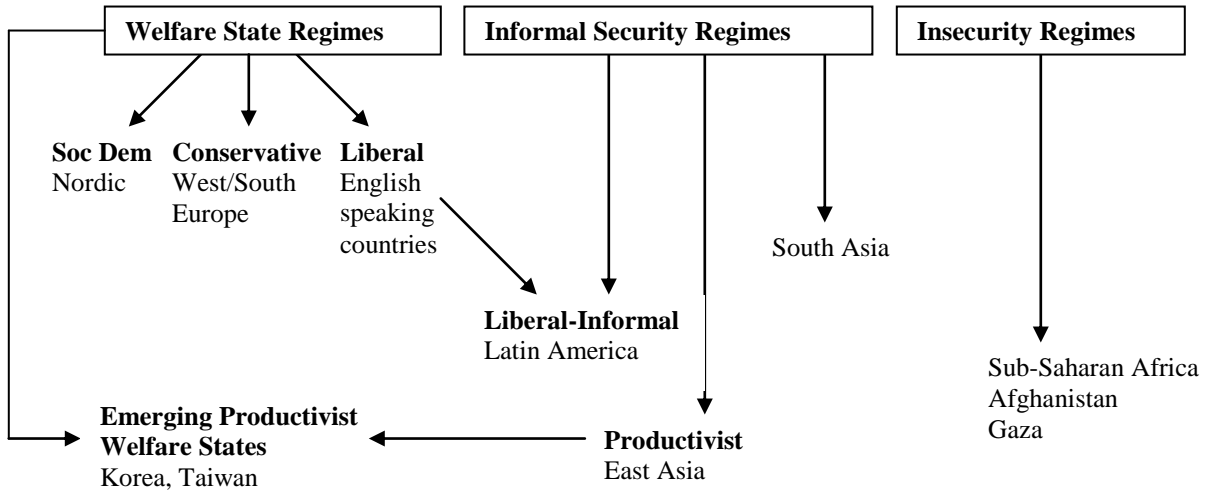
**Table 2. Cluster analysis of welfare mix and welfare outcomes: towards welfare regimes**

<b>Final clusters and standardized centres</b>	<b>Countries (grouped by world region)</b>
1) HDI high (.8), Public spending high (.9), International flows low (-.7)	Thailand Belarus, Bulgaria, Czech Rep, Hungary, Lithuania, Poland, Slovak Rep, Ukraine, Uzbekistan Algeria, Tunisia Kenya Argentina, Bolivia, Brazil, Chile, Colombia
2) HDI medium-high (.5), Public spending low (-.6), International flows low (-.3)	Indonesia, Philippines, Vietnam Sri Lanka Armenia Iran, Lebanon, Morocco, Syria Dominican Rep, Ecuador El Salvador, Guatemala, Honduras, Paraguay, Peru, Uruguay
3) HDI low (-.9), Public spending low (-.8), International flows medium (0.0)	Cambodia Bangladesh, Nepal, Pakistan Cameroon, Central African Rep, Madagascar, Tanzania, Togo
4) HDI very low (-1.4), Public spending low (-.5), International flows high (1.1)	Laos Benin, Burkina Faso, Burundi, Chad, Ethiopia, Ghana, Malawi, Mali, Mozambique, Senegal, Uganda

Number of countries 61. K-means clustering is used with k=6 (the other two clusters comprise one country each and are omitted). ANOVA F-score: HDI 60.5, Public spending 42.1, International flows 28.6



**Figure 1. Theoretical framework for comparing welfare regimes**



**Figure 2. A taxonomy of global welfare regimes**