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Social policy regimes in the developing world

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11 Social policy regimes in the developing world

Ian Gough

INTRODUCTION

My aim in this chapter is to reconceptualize the welfare regime paradigm developed within Northern social policy studies to understand the nature and diversity of social policies in the South. Midgley (Chapter 10) has rightly criticized the relevance of the welfare regime paradigm to social policy dilemmas in much of the world, so this approach may seem perverse and will need defending. The intention is certainly not simply to ‘apply’ it to the South, but to radically recast it. My basic reason is that it offers the way out of a classic dilemma in understanding social policy and social development across the world. By developing a variegated middle-range model it avoids both over-generalization and over-specificity. A regime approach can recognize, on the one hand, the commonalities across the countries and regions of the South, while on the other hand identifying systematic qualitatively distinct patterns within the South. It can also provide a bridge between thinking about social policy in the North and the South, without imposing Northern frameworks and solutions on the rest of the world.

In adopting a regime approach we are placing ourselves within the historical-institutional school of social research. This attempts to steer a middle way between teleological or functionalist approaches (both modernization and Marxist) on the one hand, and post-modern approaches emphasizing uniqueness and diversity on the other. It integrates structures and actors within a framework that promises a comparative analysis of socio-economic systems at different stages of development and different positions in the world system. Similarly, it seeks to reconcile the rival ‘structural’ and ‘actor’ approaches within development sociology (Long and 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, generating different goals, levels of autonomy and clout.

The chapter is in three parts followed by a conclusion. First, it introduces the ‘welfare regime’ paradigm initially developed to understand the

post-war welfare states of the West. Its underlying assumptions are revealed and shown to be manifestly inapplicable to much of the less developed, the developing and the transitional worlds of the South and the East. Second, two alternative ideal-type models are constructed: an *informal security regime* and, very briefly, an *insecurity regime*. The third section then tests this model by presenting the results of a cluster analysis of 65 developing countries at the turn of the millennium. This identifies proto-welfare states at one end of the spectrum and insecurity regimes at the other, but finds a wide range of informal security regimes in between. To maintain a clear distinction between the three ideal-type regimes, and these real-world regimes, I shall use the generic term ‘social policy regime’ to refer to all of them.

THE WELFARE REGIME MODEL

A welfare regime is an institutional matrix of market, state and family forms, which generates welfare outcomes. According to Esping-Andersen (1990) welfare regimes are characterized by (1) different patterns of state, market and household forms of social provision, (2) different welfare outcomes, assessed according to the degree to which labour is ‘de-commodified’ or shielded from market forces and (3) different stratification outcomes. The last component provides positive feedback: the stratification outcomes shape class coalitions, which tend to reproduce or intensify the original institutional matrix and welfare outcomes. ‘Existing institutional arrangements heavily determine, maybe even over-determine, national trajectories’ (Esping-Andersen, 1999, p. 4).

Esping-Andersen (*ibid.*, Table 5.4) identifies three welfare regimes in advanced capitalist countries with continual democratic histories since World War II: the liberal, conservative-corporatist and social-democratic. He summarizes their characteristics as show in Table 11.1.

This welfare regime paradigm has spawned an immense amount of empirical work and has attracted volumes of critical commentary and theoretical reworking, which can be divided into the following critiques (Gough, 1999):

- The identification of just three regimes and the allocation of countries between them is disputed. For example, it has been argued that Australia and New Zealand are not liberal, that the Mediterranean countries are different from North European countries and that Japan cannot be encompassed in such a ‘Western’ framework.
- In concentrating on income maintenance and labour market practices it overlooks critical social programmes like health, education

Table 11.1 The three worlds of welfare capitalism

	Liberal	Conservative-corporatist	Social-democratic
<i>Role of:</i>			
Family	Marginal	Central	Marginal
Market	Central	Marginal	Marginal
State	Marginal	Subsidiary	Central
<i>Welfare state:</i>			
Dominant locus of solidarity	Market	Family	State
Dominant mode of solidarity	Individual	Kinship Corporatism Etatism	Universal
Degree of de-commodification	Minimal	High (for breadwinner)	Maximum
Modal examples	USA	Germany, Italy	Sweden

Source: Esping-Andersen (1999, Table 5.4).

and housing that do not conform to these welfare regime patterns and that, further, may reveal that national patterns of social policies are programme-specific. For example, ‘liberal’ Britain still retains a universal National Health Service.

- In defining welfare outcomes in terms of de-commodification – insulation from market forces – it ignores other components of well-being, in terms of autonomy and need satisfaction, and other sources of ill-being.
- In concentrating on class analysis, it ignores other sources of stratification such as religion, ethnicity and gender.
- In particular, the effects of the gendered division of labour and household forms are ignored at all three levels (social programmes, welfare outcome and stratification effect).
- In emphasizing the reproduction and stability of class coalitions, social programmes and welfare outcomes it cannot handle dynamic changes and shifts in welfare regime (such as took place in Britain in the 1980s).
- In focusing on domestic institutions and coalitions it ignores the growing constraints of the global political economy and the growing role of supranational institutions.

This debate has encouraged modification of the regime approach even in its OECD heartlands. It is not our intention to review these criticisms

systematically here but three issues should be considered and incorporated before we proceed.

First, the dominant emphasis on labour markets and social protection programmes is related to the reliance on de-commodification as the measure of welfare outcomes. But modern welfare states also deliver health and other social services designed to ameliorate harm or suffering caused by illness, accident and frailty – what Bevan (2004a) calls ‘life processes’. A major result in the West is a sprawling ‘health state’ (Moran, 1999), with interests, institutions and dynamics of its own. Second, the modern state undertakes human investment and self-development through education, training, work experience and allied programmes. Heidenheimer (1981) contends that the early development of the mass education state in the USA provided an alternative path of social development to the welfare states of Europe. More recently, interest has grown in the OECD in ‘active’ alternatives to traditional ‘passive’ welfare programmes. Room (2000) interprets these activities as ‘de-commodification for self-development’, thus linking them conceptually to Esping-Andersen’s original framework. Third, another important failure of Esping-Andersen’s original idea of welfare regime, in the eyes of many, was its blindness to gender. The fact that women undertake the vast bulk of unpaid labour across the developed world, that this establishes a gendered division of labour embracing paid work, that caring duties reproduce inequalities between men and women within households and that this in turn entails a sharp split between the public and private spheres of social life – these social facts are now impinging on the analysis of welfare regimes. Disputes continue, however, on whether welfare regimes as defined above map closely onto such gender differences (see O’Connor et al., 1999).

In what follows I shall extend the idea of what I will call here *social policy regimes* to incorporate provisions that ameliorate harmful life processes and invest in human capacities. In developing countries these may well extend beyond traditional health and education services. Furthermore, we shall assume that gendered life processes shape the welfare mix, welfare outcomes and stratification effects in all regimes.

In my view this framework (incorporating these prior modifications) offers a useful starting point for studying social policy in development contexts for four reasons. First, the welfare regime approach is precisely concerned with the broader ‘welfare mix’: the interactions of public sector, private sector and households in producing livelihoods and distributing welfare: a dominant theme in the development literature. Second, it focuses not only on institutions but outcomes – the real states of well-being or ill-being of groups of people. Third, it is a ‘politi-

cal economy' approach that embeds welfare institutions in the 'deep structures' of social reproduction: it forces researchers to analyse social policy not merely in technical but in power terms, and this has much to offer. Fourth, it enables one to identify clusters of countries with welfare features in common; it holds out the promise of distinguishing between groups of developing countries according to their trajectory or paths of development.

To tap this potential, we must first stand back and distil its essentials. We contend that the following nine elements are integral to the welfare regime paradigm (Gough, 2004a):

1. The dominant mode of production is capitalist. There is a division of labour 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 labour. The dominant form of inequality derives from exploitation by asset owners of non-asset owners.
3. The dominant means of securing livelihoods is via employment in formal labour markets; conversely, the major threats to security stem from interrupted access to labour markets (and from 'life processes').
4. Political mobilization by the working classes and other classes and 'democratic class struggle' shape 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 that 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 labour to varying degrees (and provides social services and invests 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 to achieve normative, welfare-oriented goals.

Every one of these elements must be examined when our attention turns from the North to the South.

THE INFORMAL SECURITY REGIME

This section develops the idea of an informal security regime, drawing heavily on the work of my colleagues Geoff Wood (2004) and Pip Bevan (2004a, 2004b; see also Gough and Wood, 2004; Wood and Gough, 2006). I summarize this work here by starkly contrasting each of the nine elements of the welfare regime framework above to an ideal-type informal security regime model.

First, the division of labour is not uniquely determined by a capitalist mode of production. On the one hand, other forms of production persist, develop and interact with capitalism: direct production of food and other goods and services, employment in informal labour markets, the cultural resources of communities, kin connections, smuggling and other illegal activities and so on. The social formation is more variegated and over-determined. On the other hand, external capitalism (international market forces and transnational actors) heavily influences the environment of these political economies. The capitalist world system and its actors is, of course, not without importance in understanding advanced capitalist countries, but in the South there is a lack of congruity – the world system does not necessarily transform them into developed capitalist social formations.

Second, and related to this, two other forms of domination bulk large alongside exploitation: exclusion and coercion. *Exclusion* refers to processes of ‘shutting out’ certain categories of people from major social forms of participation (such as cultural activities and political roles) on the basis of their ascribed identity. A wide range of exclusionary practices – closure, monopolization and opportunity hoarding – are alternative sources of disadvantage. *Coercion* refers to ‘all concerted application, threatened or actual, of actions that commonly cause loss or damage’ (Tilly, 1999, p. 36). It can vary from discrete threats to the full-scale destruction of people and communities. In much of the developing world, economy-based exploitation relations are interwoven with other systems of inequality and domination.

Third, the idea of livelihoods replaces that of labour markets. Individuals and families use diverse strategies to make a living, involving various types of labour. Standing (2000) distinguishes alongside wage labour: share-cropping, peasant agriculture, tribal cultivation, nomadic pastoralism, artisans, outworking, family working and bonded labour. In addition, migration for labour, petty trade, begging and petty crime also coexist. The modern peasant moves between different forms of employment and ways of life; in Kearney’s (1996) term they are ‘polybians’, akin to amphibians moving between aquatic and terrestrial environments. Another important

difference from the ideal modern capitalist model concerns the lack of a clear division between production and reproduction and the significance of 'non-productive' activities, including investment in social networks.

Fourth, political mobilization takes different forms. Class power resources and mobilization can no longer be privileged. Ethnicity, region, religion, caste, age groups, clan or kinship groups and other interpersonal networks can all form the basis of identity and mobilization. In Parson's (1951) terms ascribed status remains as important as achieved identity. The complexity of sources of identification, and the existence of excluded groups outside the political system altogether, confounds or precludes the emergence of political class settlements. Political stability reflects political equilibrium rather than a negotiated compromise.

Fifth, 'states' are at best weakly differentiated from surrounding social and power systems. Political relationships are particularistic and diffuse, are based on interpersonal obligations, mix together economic, instrumental and political elements of exchange, yet are premised on deep inequalities in power between patrons and clients (Eisenstadt and Roniger, 1984, pp. 48–9). This patron-clientelism engenders a widespread form of political incorporation of subordinate classes. The result is a dependence of the powerless on relationships that may offer a measure of security in the short run but prevent their longer-term liberation and ability to enhance their security and welfare. In Wood's phrase (2001), they are 'adversely incorporated'.

Sixth, the institutional landscape of the welfare mix becomes problematic. At one level, a wider range of institutions and actors are involved in modifying livelihood structures and their outcomes. At the domestic level, 'communities', informal groups and more formal NGOs, figure as informal actors and add a fourth institutional actor to the state–market–family trinity. More important, all four elements have important counterparts at the *supranational* level: outside economic actors such as transnational corporations or semi-illegal traders; international governance organizations such as the IMF, the World Bank, the WTO, the arms of powerful nation-states such as the USA and international aid bodies; international NGOs. Even the household sector has an international dimension, through migration and remittances. Thus, a broader 'institutional responsibility matrix' emerges as shown in Table 11.2.

But the complexity does not stop there. The informal security model does not presume the degree of institutional differentiation of the classic welfare regime model. On the contrary, the different institutions do not operate independently of each other in terms of rules and pervading moralities. Self-interest is not confined to the market realm, loyalty to the family realm and group interests to the political realm. Instead there is

Table 11.2 *Components of the institutional responsibility matrix*

	Domestic	Supranational
State	Domestic governance	International organizations, national donors
Market	Domestic markets	Global markets, MNCs
Community	Civil society, NGOs	International NGOs
Household	Households	International household strategies

permeability. Behaviour is frequently not different when acting within the state, the market, the community or the family. As Wood (2004, p. 58) puts it: 'Markets are imperfect, communities clientelist, households patriarchal and states marketized, patrimonial and clientelist'.

Seventh, 'de-commodification' becomes even less suitable as a measure of welfare outcomes than in the OECD world. The very notion of de-commodification does not make sense when economic behaviour is not commodified and where states and markets are not distinct realms. As already argued, the goal and measure of welfare needs to expand to take on board protection against 'life processes', amelioration of exclusion and active investment for self-development. More than that, the fuzzy distinction between *development* and welfare and the wider range of threats to security (such as from violence and physical insecurity) entail nothing less than an audit of basic and intermediate need satisfaction (Doyal and Gough, 1991, Ch. 8).

Eighth, the notion of path-dependent development has a broader applicability. Countries dependent on overseas aid or NGO-based provision or remittances from migrant labour or clientelist networks will develop group interests and alliances that may act to continue and extend the private benefits these generate. Even societies with persistent civil and cross-border wars may organize livelihoods and develop forms of collective provision that adapt to war and reproduce through time. However, the vulnerability of poorer countries in the face of an uncontrollable external environment undermines path dependency and frequently replaces it with uncertainty and unpredictable change. The likelihood of stable political settlements is also undermined – instead, unstable political equilibria are more common.

Last, the very idea of social policy as a conscious countervailing force in Polanyi's sense (Polanyi, 1944), whereby the public realm subjects and controls the private realm in the interests of collective welfare goals, is thrown into question. Social policy in the West is based at some level on the idea that behaviour in one sphere can be successfully deployed to modify behaviour in another sphere. More specifically, mobilization in civil society can, via the state, impose collectivist values on the pursuit of

individual interests in the market (and the family). Like Ulysses tempted by the Sirens, citizens and voters voluntarily chain and restrict their ability to pursue their short-term desires in the pursuit of longer-term collective needs (Elster, 1979). However, if permeability rules and the principles of different domains 'contaminate' each other, then social policy cannot act as an independent countervailing force, or will reinforce privilege, private short-term gain, exclusion or domination. In this situation 'all are prisoners' (Wood, 2000).

The net result of these nine features of the peasant analogue is an 'informal security regime', as far removed conceptually from the original idea of a welfare regime as in reality. Table 11.3 summarizes these contrasts.

We should stress that the above account of the informal security regime is an ideal-type counter-position to what is after all an ideal-type welfare state regime model. Nevertheless, this now establishes two poles between which we may range real-world countries and regions in the present epoch. This is our goal in the next section.

However, we are not finished yet. For there is a third ideal-type regime where neither formal nor informal security obtain: an *insecurity* regime. According to Bevan (2004a, 2004b), this is characterized by chronic conflict and exterminatory wars, 'vampire' states, shadow states and absent states, mobilization via militarization, wide gaps in institutional responsibility, absent social policies and extreme suffering. In this (non-) ideal-type, chronic insecurity is the norm and social policy is the province of humanitarian aid regimes.

MAPPING INFORMAL SECURITY REGIMES

Is there any evidence for this regime model, and how should we research it? Esping-Andersen writes: 'The linear scoring approach (more or less power, democracy or spending) contradicts the sociological notion that power, democracy, or welfare are relationally structured phenomena. . . . Welfare state variations . . . are not linearly distributed, but clustered by regime types' (Esping-Andersen, 1990, p. 26). For this reason Miriam Abu Sharkh and I have regarded cluster analysis as the most suitable method to test these arguments (see for full details and arguments Abu Sharkh and Gough, 2010).

To map welfare regimes we need data on at least two of the dimensions originally theorized by Esping-Andersen: the welfare mix and welfare outcomes. The *welfare mix* describes the entire pattern of resources and programmes that can act to enhance welfare or security in a nation-state. However, to operationalize this across the non-OECD world

Table 11.3 *Ideal-type welfare and informal security regimes compared*

	Welfare Regime	Informal Security Regime
Dominant mode of production	Capitalism: technological progress plus exploitation	Informal economies within peripheral capitalism: uneven development
Dominant social relationship	Exploitation and market inequalities	Variategated: exploitation, exclusion and domination
Dominant source of livelihood	Access to formal labour market	A portfolio of livelihoods, including subsistence, cash crops, self-employment and informal employment
Dominant form of political mobilization	Class coalitions, issue-based political parties and political settlements	Diffuse and particularistic based on ascribed identities: patron-clientelism
State form	Relatively autonomous state	'State' weakly differentiated from other power systems
Institutional landscape	Welfare mix of market, state and family	Broader institutional responsibility matrix with powerful external influences and extensive permeability
Welfare outcomes	De-commodification plus health and human investment plus poverty/exclusion	Adverse incorporation, insecurity and exclusion
Path-dependent development	Liberal, conservative and social democratic regimes	Less autonomous path dependency: patron-clientelism and external influence
Nature of social policy	Countervailing power based on institutional differentiation	Less distinct policy mode due to permeability and contamination

is exceptionally difficult, not least because of lack of data. Thus, we could find no valid, reliable and comparative measures of: privately provided pensions and services (except for health purchases); community and NGO-provided welfare; the role of households and wider kin groups, except for overseas remittances; and little on the role and influence of transnational actors, except aid donors. Given this unfortunate fact, we are reduced at this stage to *inferring* the nature of informal and insecurity regimes from the data that are available.

To capture the extent of *state* responsibility for critical social resources, we use two pairs of variables covering expenditure/revenues and service delivery. The latter reflects the concern of Esping-Andersen that public expenditure is a poor indicator of welfare regimes. We must perforce rely on this, given data inadequacies in developing countries, but we are able to complement it with information on public service *outputs* (to be distinguished from welfare *outcomes* below). The first pair is:

- public spending on education and health as a share of GDP;
- social security contributions as a share of total government revenues (as a proxy for provision of social insurance benefits).

The second pair is:

- immunization against measles: a fairly restricted social policy target;
- secondary school enrolment of females: a higher, more extensive output target.

To represent international aspects of the welfare mix we have measures of two external transfer flows:

- official aid;
- remittances from overseas migrants.

To measure welfare *outcomes* we wanted to use the classic human development indicators of life expectancy, literacy and poverty. However, because of doubts about the reliability of poverty estimates we relied on the first two indices:

- life expectancy at birth;
- the illiteracy rate of young people aged 15–24 years.

We use cluster analysis to map the patterns of these variables for 65 non-OECD countries in 2000 (Abu Sharkh and Gough, 2010). The

techniques, research design, list of countries included and major results are all reported in this article, so will not be repeated here. This analysis generates eight country clusters, which can be ordered according to the distances of their final cluster centres from the OECD welfare states (see Table 11.4). The cluster with the highest scores for public expenditure, public provision and welfare outcomes is labelled A. Most remote from this cluster are clusters G and H. The main findings for the year 2000 are summarized in Table 11.4.

The main findings are as follows. Countries in *cluster A* exhibit some characteristics of Western welfare states and may be labelled *proto-welfare states*. They share in common relatively extensive state commitments to welfare provision and relatively effective delivery of services plus moderately extensive social security programmes and superior welfare outcomes (by, it must be stressed, the standards of the non-OECD world). In a further cluster analysis of revenue sources, we also find these are the only countries that rely on substantial social security contributions (Gough and Abu Sharkh, 2011). Apart from Israel and Costa Rica, this cluster comprises two distinct geographical zones and historical antecedents: the countries of the former Soviet Union and its bloc members and the relatively industrialized countries of southern South America. Both developed European-style forms of social protection policies in the middle of the twentieth century, and both suffered degradation of these in the late twentieth century through the external imposition of neo-liberal programmes.

Cluster B exhibits the second-best level of welfare outcomes and social service outputs yet with low levels of state social spending (and low reliance on external flows of aid and remittances). This interesting combination suggests that security and welfare outcomes are enhanced by fast-growing average incomes and/or by other domestic, non-state, informal institutions. This combination is found in three major world regions: (1) China and most countries in East Asia from Korea through Thailand to Sri Lanka (except Indonesia, which dropped out of this group in 2000 having suffered most from the 1997 crisis); (2) the remaining countries of South and Central America not in cluster A; and (3) some countries in Western Asia (Iran, Turkey and Tajikistan).

Cluster C comprises mainly low-middle income countries distinguished by great reliance on remittances from abroad, which account for 9 per cent of gross national income on average and that constitute an informal functional alternative to public transfers. It comprises small countries in the Caribbean and Central America, plus Ecuador, Morocco and Sri Lanka.

In Southern and East Africa (South Africa, Namibia, Botswana, Zimbabwe and Kenya) a distinct *cluster D* exhibited in 2000 relatively extensive public social policy (in both expenditures and outreach and

Table 11.4 Cluster means and country membership, 2000

Cluster Identifier	A	B	C	D	E	F	G	H
No. of countries	14	16	7	5	5	7	5	4
Aid per capita/ GNI	0.81	2.08	2.98	2.59	6.22	3.96	12.05	27.19
Workers' remittances/ GNI	0.64	0.66	9.20	0.03	0.34	1.54	2.30	0.99
Public expenditure on health + education/ GDP	9.35	6.77	5.77	8.63	4.35	4.80	5.44	5.17
Social contributions/ total revenue	29.46	7.06	6.78	1.05	1.72	1.19	1.29	0.43
School enrolment, secondary, fem. (% gross)	91.99	76.05	63.64	59.70	29.70	28.27	12.39	14.00
Immunization, measles (% of children < 12 mo.)	90.50	89.19	92.86	76.40	62.80	65.14	58.40	78.75

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Table 11.4 (continued)

Cluster Identifier	A	B	C	D	E	F	G	H
Life expectancy at birth, total (years)	72.32	69.57	70.30	44.17	53.74	56.90	46.32	41.30
Illiteracy rate, youth total (% aged 15–24)	1.28	2.20	13.39	7.29	6.65	35.57	48.21	27.42
	Argentina	Bolivia	Dominican Rep	Botswana	Cameroon	Bangladesh	Benin	Mozambique
	Belarus	Chile	Ecuador	Kenya	Congo, Rep.	Côte d'Ivoire	Burundi	Guinea-Bissau
	Brazil	China	El Salvador	Namibia	Ghana	India	Ethiopia	Rwanda
	Bulgaria	Colombia	Jamaica	South Africa	Indonesia	Nepal	Mali	Zambia
	Costa Rica	Iran	Morocco	Zimbabwe	Tanzania	Pakistan	Senegal	
	Croatia	Kazakhstan	Nicaragua		Togo	Papua N.G.		
	Estonia	Korea, Rep.	Sri Lanka					
	Israel	Malaysia						
	Lithuania	Mexico						
	Poland	Moldova						
	Romania	Paraguay						
	Tunisia	Peru						
	Ukraine	Philippines						
	Uruguay	Tajikistan						
		Thailand						
		Turkey						

Source: Gough and Abu Sharkh (2011, p. 285).

literacy levels), but with poor health outcomes, due in large part to the HIV-AIDS pandemic.

Cluster E comprises another small group of countries in Sub-Saharan Africa, plus Indonesia, which 'fell' from cluster B in 1990 due to the severe effects of the 1997 crisis. This is a heterogeneous group with relatively high foreign aid, low rates of girls' schooling but paradoxically high levels of youth literacy.

Cluster F, with at its core the countries of the Indian sub-continent – India, Pakistan, Bangladesh and Nepal – exhibits high levels of illiteracy and low numbers of females in secondary education. They boast a plethora of targeted social programmes and informal security mechanisms, but, the absence of effective schooling, health and social protection policies coupled with highly gendered outcomes, according to such indicators as the population sex ratio, betokens high levels of insecurity among the mass of the population.

Clusters G and H, mainly countries in Sub-Saharan Africa, exhibit low and in some cases falling life expectancy alongside relatively weak states with low levels of public responsibility, indicated both by spending levels and social outputs, and higher dependence on overseas aid. The prevalence of poverty is also high and persistent.

Thus, we find a highly variegated pattern of welfare and illfare systems across the Global South. We conclude that different groups of countries in the developing world face divergent threats to human well-being and divergent potentials for social policies to mitigate these. In Central and parts of Eastern Europe and parts of South America, despite serious erosion of their traditional welfare systems, we see a potential for new forms of social citizenship. These cluster A countries may be labelled *proto-welfare states*. In much of Sub-Saharan Africa, what social programmes there are have been eroded and submerged beneath a rising tide of human need. Clusters G and H remain zones of high insecurity and illfare, resembling our *insecurity regime*. However, the existence of a distinct *informal security regime* is less certain. It stretches over seven of our clusters and is much more variegated. Some states are relatively successful, other close to failing:

Successful ISRs Cluster B combines relatively good welfare outcomes and social service outputs with remarkably low levels of state social spending and low levels of external flows (aid and remittances). This interesting combination suggests a successful informal security regime. Countries in this group are mainly but not always low-middle income, with high growth rates, but are relatively undemocratic and unequal. However, the degree of variation within the cluster is rather high, and culturally and historically it is a disparate group. There are several factors that might

explain their good performance, as well as the existence of effective informal security mechanisms (which we cannot independently measure). In countries like Chile and Korea, with social protection systems mandated by governments but administered privately, the mandated contributions of employers and employees will not figure as government expenditures or as social security contributions. Such countries would probably be identified as proto-welfare states if our data were more sensitive. Moreover, in several East Asian countries levels of welfare are likely to be enhanced by 'developmental states' with considerable infrastructure capacity to pursue agricultural and industrial policies but that do not develop traditional social policies. The welfare-enhancing impact of the state extends beyond traditional social policy – or at least our indicators of it. In a study of East Asian countries I followed Holliday (2000) in characterizing these as examples of a 'productivist social development regime' (Gough, 2004b).

Failing ISRs: high illiteracy First, there is the high illiteracy cluster centred on the Indian sub-continent: India, Pakistan, Bangladesh and Nepal (not Sri Lanka). It is a notable and robust finding across a wide range of variables and k-numbers that South Asia is always differentiated from East and South East Asia, most notably due to its illiteracy, especially among women. Though these countries boast a plethora of public programmes and informal security mechanisms, the absence of effective schooling, health and security policies coupled with highly gendered outcomes, according to such indicators as the population sex ratio, betokens high levels of insecurity among the mass of the population. But these are by no means failed states – several now post high growth rates and India is proclaimed as a future economic giant.

Failing ISRs: high morbidity A second cluster emerged in 2000 in Southern and East Africa, comprising South Africa, Namibia, Botswana, Zimbabwe and Kenya. These are high spending – high taxation countries (tax revenues average no less than 23 per cent of GDP) with good outreach and literacy levels. But they suffer from high levels of mortality and morbidity (Gough and Abu Sharkh, 2011). This will be due in part to the HIV/AIDS pandemic; but it may also reflect current high levels of inequality and the recent racist structures of social policy.

If we examine societal correlates of these different clusters certain patterns emerge (Abu Sharkh and Gough, 2010). *Economic development* is important: there is a clear gradient in income per head as we move down the regime alphabet. While the average income of cluster A is close to upper-middle income, the ISR clusters range from lower-middle income to

borderline low income (using World Bank categories). *Income inequality* does not vary in a linear way across the welfare regime types; rather it is an inverse U-shaped relationship. Clusters B and C are significantly more inegalitarian (as is the distinctive Southern African cluster) than group A and group F centred on South Asia.

The Gurr indicator of *democracy* records a global spread of democracy between 1990 and 2000, such that by 2000 there were *no* evident linkages between democratic practices and clusters. Within the informal security regimes, cluster C scores moderately well on democracy and welfare, D and E on welfare but not democracy, F on democracy but not welfare. The imposition and rapid spread since 1990 of Western models of, at least nominally, democratic practices, has undermined any previous correlations with regime type. Put another way, in 2000 there appears to be no significant link at the cluster level between civil-political and social rights.

Turning to cultural variables, the effects of cultural diversity on economic development have been extensively studied using measures of 'ethno-linguistic fractionalization' (ELF). Our research shows least cultural diversity among the proto-welfare states of cluster A, and most in cluster F. Most of the differences in ELF scores between clusters is significant, supporting the hypothesis that high cultural diversity within nations is associated with weak institutionalization of mechanisms of welfare.

Finally, we consider the influence of historical factors on emerging welfare regimes by applying Therborn's four 'roads to modernity' (Therborn, 1992). The four routes are: (1) the first, West European route, which later embraced Eastern Europe and Russia; (2) the 'settler societies' of the New Worlds including both North and South America as well as Australasia and southern Eastern Africa; (3) the colonial zone of remaining Sub-Saharan Africa and much of Asia; and (4) the countries of 'externally-induced modernization', where nominally independent states in the face of Western pressures undertook autonomous strategies of development (including such nations as Japan, China, Thailand, Egypt and Turkey). We allocated countries to these four groups using the *Times Concise Atlas of World History* as a basic source (Barraclough, 1982) and cross-tabulated the results. This shows that the countries in cluster A are all members of the first two routes to modernity: Central and Eastern Europe and Latin American 'settler' countries. The most successful ISR clusters (B and C) embrace all four routes and display no clear historical background; however, all the countries of 'externally-induced modernization' are in cluster B (China, Korea, Thailand, Iran and Turkey). Cluster D comprises southern African settler countries and adjacent territories. The remaining clusters E–H with poorer welfare outcomes have all had a history of Western colonization.

CONCLUSIONS

This chapter has sought to adapt and apply the welfare regime approach, developed to provide a comparative analysis of social policy and welfare outcomes in the OECD region, to the developing world. The cluster analysis in the last part provides some support for our theoretical framework, but also reveals more complexity. At the two extremes, the existence of proto-welfare states and insecurity regimes is confirmed. Indeed, their most significant and persistent correlates are the least tractable: historical path of development and internal cultural diversity. However, the 'middle' concept of informal security regimes requires unbundling. All ISRs have in common lower-middle income per head and low levels of state expenditure on welfare. But they vary greatly, for example in democracy ratings and historical antecedents. These contribute to a wide spectrum of welfare outcomes ranging from the creditable to the very poor; in sum, from successful to failing systems of predominantly informal welfare.

The very idea of welfare states and welfare regimes entails the conscious imposition by public actors of collective values and choices on unplanned market outcomes. Thus, it might be concluded, 'globalization' fatally undermines the prospects for further welfare regime development across the world. And indeed this is a recurring theme in much contemporary literature. Yet, as regards the North, evidence to back up this assertion is remarkably thin. On the contrary, the conclusion of comparative studies of OECD countries is that global pressures are effectively mediated by the different welfare regimes: common pressures generate distinct policy reactions according to the domestic pattern of institutions, interests and ideas. Nation welfare regimes appear to be resilient in the face of transnational forces (Swank, 2002).

Yet it would be quite Panglossian to assume that the same conclusion can be drawn for the South. Indeed, many are pessimistic. Deacon (2000), for example, concludes that the preconditions to build cross-class political coalitions are fatally weakened by the opportunities available to Southern elites and middle classes to 'exit' from national social policies and programmes. It would take another chapter or more to address this question. Yet, our approach offers some support against this dystopian scenario. It is likely that, across much of the world, nation-states will remain crucial sites of contestation, including contestation over social policies. But actors will not contest them under circumstances of their own choosing. It makes no sense to apply a 'one-size-fits-all' model to analyse the nature of social policy and social development across these countries and regions, let alone to conceive and promote alternative social policies.

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