

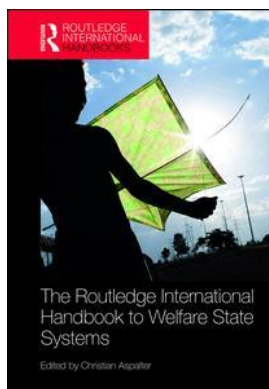
This article was downloaded by: 10.3.98.104

On: 16 Oct 2021

Access details: *subscription number*

Publisher: *Routledge*

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: 5 Howick Place, London SW1P 1WG, UK



The Routledge International Handbook to Welfare State Systems

Christian Aspalter

Lessons from around the world

Publication details

<https://www.routledgehandbooks.com/doi/10.4324/9781315613758.ch29>

Christian Aspalter

Published online on: 19 Jan 2017

How to cite :- Christian Aspalter. 19 Jan 2017, *Lessons from around the world from: The Routledge International Handbook to Welfare State Systems* Routledge

Accessed on: 16 Oct 2021

<https://www.routledgehandbooks.com/doi/10.4324/9781315613758.ch29>

PLEASE SCROLL DOWN FOR DOCUMENT

Full terms and conditions of use: <https://www.routledgehandbooks.com/legal-notices/terms>

This Document PDF may be used for research, teaching and private study purposes. Any substantial or systematic reproductions, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The publisher shall not be liable for an loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

Lessons from around the world

By way of conclusion

Christian Aspalter

The future of social policy is positive. Better and more social policy is needed to save hundreds of millions, if not a couple of billions, of lives from preventable poverty, suffering and deaths. Social policy is also very much needed to improve our lives, including improving our economic conditions.

Social policy is to be seen as “an input factor to economic growth” (Aspalter, 2006), a necessary element for success of economies, the cases of, for example Sweden, Austria or Singapore, show how important investment in people, investment in health and education, investment in harmony and social development is for the future of societies and economies alike.

The last two decades, and particularly developments in the last couple of years, have shown that developing countries are not only catching up, but much more so, taking over innovation and setting up a new social rights perspective, a new human rights perspective in social policy.

Medicine and food, and not just work, have become a universal human right in India. Health care, for example, for some time now, has been a universal human right in, for example Cuba, Kazakhstan or Sri Lanka – and the latest very fortunate extension of health insurance coverage in terms of population covered in the US (even though the type of system applied is very unfortunate) is also making a step in the right direction for humankind.

Universal social benefits and universal social services are among the very best, that is the most effective and economically most efficient, social programs there can be. A recent wave of new universalism, that is, universal social programs, has conquered Asia: especially all across Central Asia (e.g. Kazakhstan), Southern Asia (e.g. India and Sri Lanka), Southeast Asia (e.g. Thailand and Indonesia) and East Asia (especially Taiwan, and so some degree Mainland China).

This book has hopefully, a tiny, but perhaps significant part contributed to the extension towards a global social policy focus in research, in particular empirical comparative and comparative theoretical social policy research.

If one only knows the welfare state system of e.g. the United States, one knows nothing about social policy: as any perspective of how good it is, or how not good it is, is missing, as well as any idea to avoid problems and to apply improvements that are already implemented elsewhere are missing completely from the picture or mind of any expert or policy maker

that ever has focused only on *one particular* welfare state system, be it the US, Sweden, Brazil, Hong Kong, or Singapore.

In addition, perhaps the most important lesson of all, is not only is it crucial how much social policy and social welfare budgets are being spent, but even more so, how one does social policy and how one spends the money. The wrong social policies in fact have poverty increasing, that is poverty trapping side effects – these are: poverty-increasing asset- and means-tested social assistance or social service programs (AMTs), or any social assistance programs (such as, conditional cash transfer programs) that contain an element of asset- and means-testing (AMT) in determining welfare eligibility, as they punish people for doing the right thing and rewarding the absence of doing the right thing (saving more, working more hours or more jobs, etc.).

Also, efficiency is key for social policy to do its job, to save hundreds of millions of lives from poverty, hunger, abuse, discrimination, social exclusion, accidents, illness, and premature/preventable deaths. All forms of asset- and means-tested benefits and services programs (AMTs) and mandatory private insurance programs (e.g. ACA or Obamacare in the US, a famous recent example of this category) are among the very worst forms of social policy that waste a large share of the welfare budgets on administration and organizing regulations (often monstrous amounts of dehumanizing regulations), instead of investing it in food or medicine, education/employment training or housing for the poor.

These AMT-based or AMT-containing social programs need to be fully replaced with universal benefits and services (UBS) and/or non-economically targeted (NET-based) social assistance benefits and social services (Midgley and Aspalter, 2016), to avoid the unwarranted dire consequences of a “poverty trap” and “savings trap,” as well as an “unemployment trap,” that locks up hundreds of millions of people in poverty and destroys hundreds of millions more children’s live perspectives, by enforcing a social policy regime that only “manages” poverty but also increases the extent and severity of the very same – and instead does not solve or end poverty.

One important lesson for the future is to focus more on DC elements and DC systems in social security systems across the world (i.e. provident fund systems of all kind), and especially move away from relatively also very costly Bismarckian social insurance systems: they are costly in terms of unnecessary occupational and geographic subdivisions of administration that not only waste budgets available for social security, but also create tremendous economic inefficiencies in terms of prohibiting and punishing labor mobility.

When it comes to health care and long-term care, fully funded DC systems award the ones who manage to live healthily and happily, that is they reward the ones that do the right thing. Any kind of social insurance system in health care and long-term care, however it pays money (1) to those who either are just unlucky (the original idea of why these systems came into being in the first place, where lifestyles and consequent modern mass diseases, like cancer, Alzheimer’s disease, were small in comparison to other causes of illness, like e.g. communicable diseases), and (2) to those who live a risky or unhealthy life in terms of unhealthy life-styles, especially regarding food and drink, stress, and exercise.

The first category of beneficiaries has been shrinking over the centuries and came to represent only a tiny fraction of all beneficiaries, while the great majority of health care problems that mandate health care and long-term care services today are in fact the direct or indirect result of post-modern life choices: for example life-styles, consumption patterns, lack of exercise, and/or the presence of constant stress and happiness-impeding life events and developments (e.g. massive number of divorces and family break-ups, the rise of new mental health problems, long-term relative or absolute lack of income).

To manage how money flows will not be enough in social policy in the decades to come – especially in times of constant fiscal constraints of the state in most countries around the world. Governments and social policy experts have to start to focus on the prevention of problems: first, on the “micro-economic incentive structures” (positive and negative rewards of all kinds, current and future) of existing social policies, social insurance and social assistance programs; and second, on non-monetary social policies that find other ways to influence and guide individual and social behavior, and/or provide information about different life-styles and consumption patterns/choices, and behavioral choices and their likely long-term health care effects from a life-cycle perspective.

Apart from economic incentive structure, other behavioral incentive structures are also yet to come to the fore of social policy research and policy making: for example institutional and managerial setup of social programs, social security systems or social policy evaluation systems. In terms of social policy evaluation and guidance systems, two policies stand out in international comparison.

First, the Open Method of Coordination (OMC) as it is practiced in the European Union, which could, and should be, the model of how to concert and boost the quality and quantity of social policies and institutions across different federal states or provinces in, for example China, Brazil, the Russian Federation or the US; or all of Africa, if the African Union is or could embark on a similar mission in social policy as the European Union.

Another very outstanding, important case in point here is the “barcode system” in the Belgian health care system, although still being moderate and “soft” in its application, it shows a powerful way to control cost-explosion in the health care sector, by electronically, centrally, and instantly (through the use of an intranet) gathering all relevant information of a health care system.

That is, every doctor, every patient, every medicine, every treatment, every department in hospital, every hospital is assigned with a barcode, and all information – in a much-upgraded version that is distinct from the currently existing Belgian version – is being statistically processed, and an automatic ranking is given to all doctors, all doctors of a specialized field, all departments of a specialized field, and all hospitals as well, and, very important, this information is made – instantly without intermingling of administrators or politicians – publicly available to the general public (on the internet), current and future patients alike, as well as the key players in the health care market, the hospitals and doctors that prescribe medicines themselves.

Hence, this would achieve transparency to a much-needed much higher level, and change behavior of hospital managers and administrators and doctors themselves, as they know their ranking will lower in case of any overprescriptions of unnecessary and expensive medicines and overuse of unnecessary and unnecessarily expensive procedures (treatments and tests, etc.).

This would lower the percentage of GDP spent on health care and/or, more importantly, increase the available amount of money for additional treatments and medicines for formerly not covered (by public health care) patients, especially for more preventative health check-ups for the general population, which together will make possible the saving of thousands if not millions of lives in many countries that have yet to apply an extended/upgraded version of this barcode system in their health care systems (see Aspalter, 2016a).

Advertisements in the public interest (APIs), as exemplified in the case of Hong Kong (even though there is room for improvements in terms of content and concertation of advertisement spots in the case of Hong Kong), are one very positive way forward. We have to move away from a mostly curative approach to a dual preventative and curative approach in social policy, especially health policy, mental health policy, and long-term care policy.

We need to prevent more cancer, Alzheimer's disease, high blood pressure, depressions, extreme mood disorders, obesity, intoxication through chemicals (preservatives, colorings, artificial flavorings, and other in the short- or long-run toxic chemicals) in foods and drinks, addiction to sugar (particularly by way of soda drinks), excessive alcohol consumption and smoking, unnecessary traffic accidents, consumption/addiction to harmful narcotics and so forth wherever we can, with any current public and social policy measure or any perceivable, possible (ever more innovative and integrated) public and social policy measure yet to be implemented in the years and decades ahead (see Aspalter, 2017).

Some countries have already experimented with behavioral change, particularly Latin American countries, but now also countries in the Caribbean, Africa and Asia, have already jumped on the bandwagon and installed not just human-capital, social-capital, and cultural capital (= capabilities) enhancing social policies and programs, but also behavior-changing social programs, which are now widely practiced across, for example Latin America and India (see Aspalter, 2016). There is no limit to the list of possible programs and their specific conditions in terms of changing individual behavior: such as getting more health check-ups, monitoring and advising on nutrition for better infant and child health, improving school attendance rates, attending training and educational seminars, attending self-help groups, attending/passing short exams (e.g. about awareness of problems or causal connections between behavior/lifestyle and consumption patterns and ill-health) and so forth.

Changing lifestyles needs to rise to the top social policy agenda for social policy (including health policy) experts and government officials alike, by the hundreds of millions, at least lowering the burden of diseases and premature/unnecessary deaths to as much as we can, given the fact that people are not perfect and will never be fully perfect in their life choices, but at least let them be perfectly informed and make their individual free choices based on the whole body of available information that current-day science provides us with, by way of comprehensive informative social policy.

Another important lesson we need to draw from social policy experiences from around the world is that labor market incomes are being polarized in insiders and outsiders of a good/decent family income and, hence, good/decent family life.

Also, at the same time, salaries are going down for those outsiders as these salaries now depend on short-time and part-time employment, that are the outcome of neoliberal doctrines of a great and growing number of government officers and managers.

Non-salaried incomes are becoming more and more important, while salaried incomes are becoming less and less important overall, as they fall for outsiders, and as they become crowded out by other forms of income (capital incomes) for insiders (see Kim, 2008; Kim and Hiebl, 2016). As a result social insurance systems around the world need to learn *partially* from the French experience, the *Contribution Sociale Généralisée* (CSG) (see Chevalier and Palier, 2016).

A modified version of the CSG – one that only focuses on non-salaried incomes (i.e. capital incomes only, not all sorts of incomes) – is the only real major alternative to keep social insurance systems afloat in times of dualistic, neoliberalist labor market realities and a constant fiscal crisis of nation states (and regional governments) around the world (see Aspalter, 2009). Levying social insurance, or general social security, contributions on all forms of capital income (rent income, income from financial markets, business income, and other forms of wealth creation, especially through real estate transactions, etc.) is the only way forward for stressed-out welfare state systems to rescue their fiscal outlook for the decades ahead (in fully or already partially post-industrial societies), apart from a less-advantageous and hence non-preferable solution of retrenching and privatizing welfare state institutions to the level that they become ineffective and insignificant, that is obsolete.

References

- Aspalter, C. (2006), Freedom, Dehumanization and Welfare: An Asian Perspective, *Journal of Comparative Social Welfare*, Vol. 1, No. 2, pp. 95–114.
- (2009), Pension Coverage and Demographic Aging in Asia, *keynote speech* presented at the *Regional Social Security Forum for Asia and the Pacific* of the International Social Security Association (ISSA), hosted by the Government of the Philippines, Manila, October 21–23.
- (2016), Categorical and Conditional Cash Transfer Systems in Latin America and the Caribbean, in C. Aspalter and K. Teguh-Pribadi (eds.), *Development and Social Policy: The Win-Win Strategies of Developmental Social Policy*, Routledge: Oxon, UK.
- (2017, forthcoming), Saving Lives Through Health Care Policy: A Developmental Social Policy Perspective, in C. Aspalter, K. Teguh-Pribadi and R. Gauld (eds.), *Health Care Systems in Developing Countries in Asia*, Routledge: Oxon, UK.
- Chevalier, T. and Palier, B. (2016), The French Welfare State System, chapter 13, *this volume*.
- Kim, J. (2008), *discussion with*, Seoul, November.
- Kim, J. and Hiebl, C. (2016), The South Korean Welfare State System, chapter 27, *this volume*.
- Midgley, J. and Aspalter, C. (2016), Developmental Social Policy: Theory and Implementation, in C. Aspalter and K. Teguh-Pribadi (eds.), *Development and Social Policy: The Win-Win Strategies of Developmental Social Policy*, Oxon, UK.