REVIEWS

Labour Market Flexibility and Pension Reforms: Flexible Today, Secure Tomorrow?
EDITED BY KARL HINRICHS AND MATTEO JESSOULA

The New Regulatory State: Regulating Pensions in Germany and the UK
EDITED BY LUTZ LEISERING

Pension systems are getting more and more complicated. Imagine a person leaving education in the UK in 1910 and trying to make choices, like the rational being postulated by the economists. Essentially, there would have been three choices: taking a form of employment (probably public employment) where the employer promised a pension, opting to start contributing to a marketized pension or trusting that the recently introduced means-tested state pension would be adequate in old age if needed. But, even then, making choices on the basis of personal and economic situations applicable to all of those choices would have been a hazardous venture, inasmuch as that decision would be expected to be the right one for retirement starting 40 or more years later. Looking at the same issue now, it is not only the options available that have become much more complicated. Furthermore, few people have illusions, which they might have had in 1910, about either economic or personal employment predictability. But on top of this the history of pensions, both public and private between 1910 and the present day, has been a story of continuing change, in which the government has been a key actor. In that respect social insurance, already present in Germany in 1910 and coming to the UK in the 1920s, was long seen as the best way of making pension arrangements more secure. Now government is backing away from that. The result is increasingly complex hybrid systems, and generally not straightforward choices between state and market.

These two books address issues about the complexity of pension systems today. The book edited by Karl Hinrichs and Matteo Jessoula addresses the issues at the interface between labour market instability and pension arrangements. I use the term ‘instability’ here deliberately, as opposed to the more positive notion of ‘flexibility’ chosen for the book’s title. One might be led to believe that it is a need to respond to flexibility that has led to the development of complicated public/private mixes in pension systems, whereas the reality is privatization as a politically driven development influenced by a combination
of ideology, wishes to generate new remunerative activities for finance capital and concerns to offload public liabilities. The sub-title of Hinrichs’ own chapter on Germany sums up the resultant problem: ‘A Flexible Labour Market Plus Pension Reforms Means Poverty in Old Age’.

This book is a comparative survey, with chapters on Italy, Poland, the UK, Switzerland, Denmark and the Netherlands as well as Germany. Its concern is to explore differences. Issues about the extent to which the countries had relatively integrated systems and have departed from them is important here. This is one of a number of recent books comparing pension systems within Europe. There is a contrast here with the book by Meyer and her associates (2007) that uses an integrated measurement technique to tease out quite specific differences. However, in defence of this book it may be argued that a more qualitative approach minimizes distortions in accounts of individual systems and that Meyer’s book takes big risks in respect of prediction. But together they make an important contribution on the ‘risks’ entailed in systems where the private element is important.

Looking at this issue from a UK perspective where social insurance has not been allowed to become the strong central pillar the obvious contrast is with Germany where recent changes have weakened a strong system. German social insurance indeed has, and had, flaws, and has been seen as too strongly linked to stable labour market participation. Nevertheless, it surely offers a strong foundation on to which it is possible to build adjustments to deal with more intermittent labour market participation through the adding of credit arrangements comparatively easily. However, shifts towards privatization have damaged that. In the UK, the problem has been the absence of a strong social insurance pillar ironically, as Deborah Mabbett argues in the other volume reviewed here, inhibiting private sector development:

Pension providers see an improved basic pension as a way of enabling investors to bear more risk in their funded pensions, instead of seeking security through low-risk, low return investment strategies (p. 207)

The book edited by Lutz Leisering explicitly compares Germany and the UK and has the issues about private provisions at its heart. It has a title suggesting it is about all forms of regulation but a sub-title clarifying that it is concerned with the specific regulatory issues posed by pension complexity. The central concern is the development of modes of private provision, highly susceptible to market fluctuations, interacting with public provisions in a context where there are political concerns about overall security, which generate significant, and probably novel, regulatory concerns. Mabbett again goes to the heart of the issue with her observation that the ‘pillar’ metaphor, used in discussions of pension change that sees private additions as added pillars, is inappropriate. Rather, there is a need to recognize that governments are engaging in a ‘layering’ strategy in which the objective is ‘that obstacles to direct reforms to the public pension system be evaded by introducing new policy options in the private pension layer’ (p. 192). This means that the systems are interdependent.
The regulatory concerns of this book are set rather grandly in a discourse about the shift of the welfare state from a ‘provider state’ to a ‘new regulatory state’. Much is made of what is called ‘the deregulation paradox’, namely that ‘that deregulation goes along with (re-) regulation’ (p. 6). But the additional twist for pensions is that inasmuch as this occurs in the context of state retreat from the role of welfare provider, there remain particularly strong reasons for continuing political concern. This makes it difficult to operate forms of regulation that can be detached from the state. I think this contrast may be too strongly drawn, perhaps as a Germanic concern to be explicit about what is and is not the role of the state. In any case, the issues are not just about pension regulation. What can be said about the politics of pension regulation can perhaps also similarly be said, for example, about the regulation of transportation systems. To be fair, the book contains essays on wider aspects of regulation, particularly a good overview by Majone. The problem, then, is that this is hidden away in a book about pensions.

The two books may be contrasted in terms of the extent to which they have direct aims to offer a critique of policy. Hinrichs and Jessoula address a pressing contemporary problem about adequate protection in old age for those whose labour market participation has been insecure. Again, I emphasize that problem rather than flexibility and would fault the collection for a relative lack of concern about issues about motherhood and caring. In the case of Leisering’s collection, there are issues about the best forms of regulation but they are rather masked by the book’s concern to explore the changing nature of the role of the state. The chapter by Mabbett, twice quoted above, is then the part of the book that addresses the issues about pension regulation most effectively.

Reference


Michael Hill, University of Newcastle Upon Tyne

Basic Income Worldwide: Horizons of Reform
Edited by M. C. Murray and C. Pateman

A Basic Income (BI), or Citizens Income, is a proposal to reform the tax and benefit systems that could have considerable implications for economies, labour markets and social policies. Although it is possible to envisage many designs and policy contexts, the essential idea is simple. A BI would be periodically received by everyone as a right of citizenship and unconditionally, i.e. without reference to marital or employment status, employment history and intention to seek employment. It would replace most benefits, tax reliefs and allowances, and could be age-related, e.g. with a higher BI for elderly
people. BI therefore represents an alternative both to means-testing and to the social insurance principle, albeit one that is capable of complementing (rather than replacing) either or both.

These days, anyone with an interest in poverty and social exclusion, social security and cash transfers, employment and taxation policies or, indeed, any issue pertaining to social policies and distributive justice is likely to have at least a passing familiarity with BI debates. This was not the case 20 years ago. What has, arguably, not changed is the tendency for critics and sceptics to observe that the proposal is wildly unrealistic. This is partly for moral reasons (unconditional cash transfers are objectionable), political reasons (electorates will not buy the idea) or economic reasons (it is simply unaffordable). The persistent accusation is that BI lacks feasibility and so traction in the real, hard-headed world.

*Basic Income Worldwide* sets out to pull the rug from beneath such claims by determining the degree to which BI is already on the reform agenda to an extent that its critics – and even many of its supporters – do not recognize. Mathew Murray and Carole Pateman state this plainly in their introduction:

> When basic income is explained, a typical reaction is that it might be a good idea but is not realistic. One aim of this volume is to counter the latter assumption. It shows that examples of successful implementation of basic income can be found in both rich and poor countries. (p. 2)

The later chapters then offer country-specific overviews of: the USA, Namibia, Brazil, Canada, East Timor and Catalonia, South Africa, Ireland, Germany, New Zealand and Australia. The chapters do not follow a rigid structure but, by and large, each explores the history of BI proposals, its role and prominence within current government policy and welfare reform debates, and the prospects for further progress. The contributors are pro-BI but provide balanced, rigorous critiques.

The book is a useful summary and update of recent developments, one which even critics of BI are likely to find valuable. In some countries, like Australia, the prospects for BI’s introduction are remote due to values and policy systems which are hostile to universalism and particularly to unconditionality. In some nations, existing provision is being adapted into schemes which, while not constituting BI reform, carry a family resemblance to it, e.g. refundable tax credits and negative taxation. (In the UK, which the book does not cover, this is arguably the case with the Universal Credit, due for implementation in 2013.) And in some places there are particular schemes, such as the Alaskan Permanent Fund, or pilots, such as the Namibian Basic Income Grant of 2008–09.

Additionally, the book often makes useful contributions to some key debates. In the chapter on the USA, for instance, Karl Widerquist and Allan Sheanen reflect back upon the negative income tax (NIT) experiments of the 1970s and highlight the misrepresentations to which it was prone in the media and elsewhere. So, men receiving the NIT reduced the amount of time they spent working by 5 per cent to 7.9 per cent compared to the control group. Some took this to mean that 5 per cent of the population would stop working
altogether. In short, BI advocates are caught between having to play the existing game (pacifying the knee-jerk hysteria which often surrounds discussions of working hours, by highlighting the reform’s feasibility) while not neglecting an idealism which regards fewer hours in the labour market as an entirely desirable objective.

In the concluding chapter, Murray addresses this kind of dilemma. He contends that there is an essential lesson which can be drawn from diverse national contexts: conditional and categorical systems lead to exclusions and so to inequalities. Though it has been under assault in recent years, the enduring argument for universal provision is that it reduces administrative complexity and costs, and is the best way to avoid stigma and a loss of self-respect on the part of recipients. He also argues that BI advocates should engage with the range of social, political, moral and cultural contexts which are out there. Nor is it the case that when BI gets its foot in the policy door the door swings opens invitingly. Supporters must be open to the potential drawbacks of BI and to the necessity of building momentum for further reform across the long-term. Such momentum, I suspect, can only come from the idealism which has been missing from the technocratic, managerialist approaches to economic and social policy which have dominated the last 20 years (certainly in many countries like the UK).

Of course, although wide, the book’s geographical range is inevitably restricted and its shelf-life will decline as new developments occur, such as the recent projects in India. For those interested in keeping up to date, the Basic Income Earth Network (n.d.) provides an excellent resource. Nonetheless, it successfully consolidates research and debate across an impressive range of countries.

Reference

Tony Fitzpatrick, University of Nottingham

Care in Everyday Life: An Ethic of Care in Practice
By Marion Barnes

The significance of care for contemporary feminists and humanists cannot be underestimated. Much has been learned from theoretical debate, empirical work and policy attention over the past decade and more. But in the practice of care within the household, in the labour market and in public policy, those who do the caring remain undervalued, finding contradictory demands placed upon them. Caring activities continue to be predominantly performed by women inside the household, and by the low paid, often women or immigrants, in the labour market.
Marion Barnes starts from the everyday significance of care in the context of real lives. Her wide ranging book reflects on the practical advantages of ‘care ethics’ as the basis for social and public policies that can enable nurturing, flourishing and well-being. Barnes sees care as a way of conceptualizing personal and social relations, and her chapters draw on empirical case studies to illuminate and clarify her approach. The book is timely in its arguments that care ethics are as essential to social policy as is the concept of social justice. Barnes also tackles critiques of care from the disability movement, showing how the practice of choice pervading current policy agendas undermines an ethic of care, whether in public or private caring practices. She further argues that the choice agenda cannot properly deal with the problem of poor care that has been dominating the media in recent months and years.

Chapter 2 deals with ideas on the ethics of care, and, drawing extensively on the work of Joan Tronto, sees care as a political as well as a personal practice. Care is undertaken through relationships: caring about, taking care of, care giving, care receiving. Barnes asks how care and justice can be reconciled, arguing that the contrasts between rights and care reinforce the moral boundaries between the two. If we add recognition to redistribution, and address issues of redistributing care work much can be done to reconcile care and justice.

Chapters 3, 4 and 5 consider what Barnes calls ‘full care’ practices: care in families, through paid work, and in settings between friends and neighbours and in their communities. In families, since care is a relational practice of giving and receiving care, individual and shared biographies need to be considered to understand the experience of care for provider and recipient. Even behind the closed doors of the family, care is not solely personal or private. As Barnes explains, it is essential to be aware that ‘care arises from and is given through a committed relationship’ (p. 52).

The chapter on paid care workers evidences how care work ‘has become specialised, dispersed and fragmented’ (p. 83). Barnes argues effectively that ‘choice’ over care provision emphasizes individual decisions, rather than collective political decisions over what we value. Nor can an emphasis on systems, procedures and rules support good care. For care is a process where needs can only be properly identified through relationship dialogue, and given and received through relationships.

Further chapters consider the ‘comfort of strangers’, and places and environment, where global care chains are considered. The last, substantive, chapter looks at care as a perspective from which to view social policy. How should citizenship be expanded to include care, in a polity where the work ethic has come to dominate over the care ethic? In considering the importance of evidence-based policy-making, Barnes emphasizes the importance of understanding as well as knowledge. Participation through deliberative democracy needs to include narrative and emotionality to ensure that full care is incorporated into policy-making and implementation.

Care in Everyday Life can be recommended as a (feminist inspired) textbook for family policy in particular and for social policy more generally, as well as for care practitioners. It provides excellent guidance for those personally wrestling with caring as givers or receivers, whether in the household or the
labour market. Here they will find a humanist and feminist perspective on these issues. One reservation I have is that there are places in the book where argument becomes stilted by responding to the plethora of academic sources. Of course it is important that the reader be informed about where ideas come from, but this can be taken too far. I would, nevertheless, have welcomed some direct engagement with the discipline that launched us on the road to choice as a basis for policy-making rather than relationships. Women economists like Nancy Folbre and Sue Himmelweit have argued forcefully that the abstractions of economics can destroy caring relationships. (Economics also failed signally to predict the economic crisis of 2007; should we really take economists seriously?) That said, Marion Barnes makes a timely, comprehensive and convincing argument for reconsidering the economistic direction that the current policy practice of caring has taken us in. This book could help prevent us sleepwalking into a caring crisis.

Jane Wheelock, University of Newcastle upon Tyne

Religion and Faith-based Welfare: From Wellbeing to Ways of Being
BY RANA JAWAD

This book does so much more than the title suggests. This is acknowledged in the introduction when the book’s two main aspirations are made clear. The first is apparent from the title: to survey religious welfare and welfare organizations for their contribution to social policy. But it is the second that has got me so excited about this book: to re-examine the foundations of social policy using the insights of religion. This deeper purpose is implied by the sub-title, which invites the world of social policy to move beyond its subservience to utilitarian notions of ‘welfare’ and ‘wellbeing’ to share in a religious quest to promote what the author calls ‘ways of being’. It is in issuing this invitation that the author has taken the growing interest in the implications of religious faith for social policy a quantum step forward.

In many ways, this is the book on religion and social policy that we have all been waiting for. It is nothing if not comprehensive in scope. Its only limitation lies in distinguishing ‘religion’ – the focus of this book – from related concepts of ‘faith’, ‘belief’ and ‘spirituality’. The reason is apparent in the author’s definition of religion as ‘a system of beliefs, values, institutions and practices which organises the life of a community around the concept of a superior and transcendent being’ (p. 21). What the author has in mind are the nine institutional religions officially recognized in the UK. It is the public, social and institutional character of religion that makes it especially appealing to the student of social policy.

An opening introduction spells out the motives and purpose of the book, and issues an opening challenge to assumptions about the welfare state as an essentially secular institution that have been reflected in UK scholarship even when important ideological questions about the ‘good society’ have been debated. The author’s aim is to subject these assumptions to a thoroughgoing
critique. The first part of the book does this at a historical and theoretical level, asking general questions about religious influences on the development of social policy and what they might imply for today’s multi-cultural welfare environment. The second part is a more substantive examination of the contribution of religious communities and religious welfare organizations to some of the main fields social welfare provision.

The opening substantive chapter seeks to redress the historical balance by reminding us of the pervasive influence of religion – in this case Christianity – on the history of social welfare in the UK, making the apparent secularity of the postwar welfare state something of a historical aberration. However, the next chapter brings us to the central argument of the book by performing a similar task at a theoretical level. This is partly about exploring what religious teaching might imply for substantive policy debates, but the author is more interested in how we approach questions about the purpose of social policy itself. Central to this consideration is her critique of the utilitarian legacy that still dominates normative thinking about social policy both academically and politically, with its essentially materialist and sensory concerns with promoting human welfare, well-being and happiness, and the belief that these goals can be achieved by the appropriate provision of the right configuration of services. Against this view, the author points to the more holistic views of human nature that religion can bring to the debate, which take account of the moral purposes that underpin human motivation. What religions offer as an alternative to welfare and well-being are what the author summarizes as ‘ways of being’, ‘the personal welfare of the human being wrapped up in a way of life which is only such because it is shared by others’ (p. 239). Religion therefore informs the means as much as the ends of social policy, superseding the provision of services with an ethic of ‘service’, ‘a relationship of compassion and fellowship between the service provider and service user’ (p. 14).

The last chapter of part one surveys the contemporary religious characteristics of the UK as a nation, and the evolving relationship between religious communities and government in the field of social policy. The second part then explores the relationship between religion and welfare in particular policy fields. The account begins with social work as the field that best illustrates the relationship between welfare and ways of being that makes up the central theme of the book. Other chapters then explore healthcare, social care, poverty reduction, housing and urban regeneration, showing that each constitutes an arena in which distinct issues arise. The presentation helpfully illuminates the examination of general issues with case studies in religious welfare that highlight the role played by religion in each field.

In addition to reviewing the central themes of the book, the concluding chapter indulges in some self-criticism. The first is a concern that the book presents too favourable a view of religious welfare, but the author rightly responds by reiterating one of her main tasks which is to testify to the contribution of religious organizations to furthering the causes of social care and economic justice and challenging others to contest this. In this task, she has succeeded admirably. Other criticisms that she mentions include the preferencing of some religions over others, which is inevitable given the historical landscape of religion in Britain, and the inadequate treatment of the
role of religion in education policy, whose significance arguably warrants separate treatment.

The question that is begged by this book is how far it makes sense to make general statements about ‘religion’ and social welfare. We can identify some of the questions that believers might ask, but the answers they give will vary according to the religion to which they belong. There is some acknowledgement of this problem in the chapter on theoretical perspectives where examples are given of the contribution of different religious traditions to patterns of welfare in different countries, but we do not really get a feel for how far social policy has been a contested arena for people of faith. This book has gone a long way to distil from all the main religions the longings that they all share for the enrichment of human life, but only separate accounts of each can hope to do justice to the distinct meanings that they attach to the language of ‘service’ and ‘ways of being’.

Graham Bowpitt, Nottingham Trent University