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Social Development, Asset Building, and Social Investment: The Historical and International Context

James Midgley

Asset Building as Social Investment

Michael Sherraden

Institutional Structuralism as a Process to Achieve Social Development: Aymara Women’s Community Project Based on the Working with People Model in Peru

Adolfo Cazorla, Xavier Negrillo, Viviana Montalvo, Víctor L. De Nicolás

Social Protection in Africa: Beyond Safety Nets?

Leila Patel

Asset Building and Property Owning Democracy: Singapore Housing Policy as a Model of Social Investment and Social Justice

James Lee
Investing in Adoption: Exploring Child Development Accounts for Children Adopted from Foster Care
Amy Conley Wright

Financial Capability as Social Investment
Mary A. Caplan, Margaret S. Sherraden, Junghee Bae

Human Rights-based Social Investments
David Androff

BOOK REVIEWS

Unmaking the Global Sweatshop
Rebecca Prentice and Geert De Neve
Reviewed by Jacob Van Pelt

Creative Teamwork: Developing Rapid Site-Switching Ethnography
Pat Armstrong and Ruth Lowndes
Reviewed by Zhong Xin

Ghettos, Tramps, and Welfare Queens: Down and Out on the Silver Screen
Stephen Pimpare
Reviewed by Melanie Lynn Carlson

The War on Kids: How American Juvenile Justice Lost Its Way
Cara H. Drinan
Reviewed by Rong Bai and Robert Fischer

The Human Instinct: How We Evolved to Have Reason, Consciousness and Free Will
Kenneth R. Miller
Reviewed by Daniel Liechty

Corresponding Authors
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Social investment and social development approaches seek to promote human well-being by harmonizing social welfare with economic development (Midgley, 2014). Social development emerged from diverse traditions, including postcolonial social policy, international development, and institutional approaches to the welfare state; over the last two decades this approach has risen to prominence as a key policy and practice perspective around the globe. The social development perspective has yielded policy innovations and catalyzed practice models such as developmental social work (Midgley & Conley, 2010). From the 1995 World Summit on Social Development, subsequent Millennium Development Goals, and the current Sustainable Development Goals, social development is likely to remain integral to the global agenda. Uneven recovery from the 2008 global financial crisis and rising inequality alongside historic advances in economic development emphasize the critical role of social policy in balancing growth with social investments into peoples’ social welfare. These conditions call for further examination of the benefits of social investment policies and practices.

This Special Issue examines social investment as a tool of social policy and investigates how it has been applied around the world. Social investment is an approach to social welfare policy that aims for economic participation and positive economic returns (Midgley, Dahl, & Wright, 2017). It is closely associated with Michael Sherraden’s (1991) work on asset building, which seeks to develop people’s financial and other resources,
and both social investment and asset building are closely linked to the broader intellectual framework of social development. James Midgley has indisputably shaped social development as a field of scholarship. This Special Issue honors his scholarship and professional contributions by presenting eight original articles that explore the current state of social investment in policy and theory around the globe.

James Midgley is Professor of the Graduate School and Harry and Riva Specht Professor of Public Social Services Emeritus at the University of California, Berkeley where he is also Dean Emeritus of the School of Social Welfare (1997-2006). Born in South Africa, he studied at the University of Cape Town where he was confronted with the oppression of the apartheid era social policy. After Midgley left to study at the London School of Economics, Richard Titmuss mentored Midgley and recruited him to create a graduate program focused on social policy in the Global South. Prior to coming to Berkeley, he served as the Dean of the School of Social Work and Associate Vice Chancellor for Research at Louisiana State University.

Midgley has published widely in the areas of social development, social policy, social work and international social welfare. Midgley’s significant scholarly contributions encompass landmark books. *Professional Imperialism: Social Work in the Third World* (1981) was a breakthrough that brought scholarly attention to the sorely neglected Global South and offered a critical perspective of social workers and policymakers in the Global North that remains relevant today. Perhaps his best-known work is *Social Development: The Developmental Perspective in Social Welfare* (1995) which brought intellectual clarity and weight to the field that would influence the United Nations, the Millennium Development Goals, and policy innovations in governments around the world. His authoritative *Social Welfare in a Global Context* (1997) influenced a generation of international social workers. Midgley’s recent books, such as *Social Development: Theory and Practice* (2014) and *Social Welfare for a Global Era* (2017), extend his work and complement the numerous collections he has edited with colleagues into social protection, developmental social work practice, social policy in Asia, and social investment. His books have been translated into Bahasa Malaysian, Chinese, Japanese, Korean, Indonesian, and Spanish, and have become core references for research and education.
For these contributions, Midgley has received many professional honors, including honorary Doctorates from the University of Johannesburg and the Universidad Politécnica de Madrid, and honorary Professorships at the University of Johannesburg, Nihon Fukushi University in Japan, Sun Yat-sen University in China and the Hong Kong Polytechnic University. He has been recognized with the 1996 International Rhoda Sarnat Prize from the National Association of Social Workers (NASW), the 2004 Career Achievement Award by the Association of Community Organization and Social Administration, the 2005 Lifetime Achievement in Social Work Award from the California Chapter of NASW, the 2006 International Partnership in Social Work Education Award from the Commission on Global Social Work of the Council on Social Work Education, and the inaugural Presidential Award from the International Consortium for Social Development Asia-Pacific Branch in 2012. In 2006, he was awarded the Berkeley Citation for his service as Dean of the School of Social Welfare and contribution to the University. Midgley was elected to the American Academy of Social Work and Social Welfare in 2010 and is a frequent keynote speaker at international conferences and universities around the world. In addition to these academic achievements, Midgley is cherished by many for his charm, his generosity of spirit, his wit, and his warmth of heart. These qualities, combined with a passionate commitment to scholarly debate, exchange, and networking, have earned Midgley respect and goodwill around the world for his role in mentoring a large global network of social work, social policy, and social development scholars.

Overview of the Special Issue: Midgley’s Impact on the Field

In April of 2016 the University of California, Berkeley School of Social Welfare held a Symposium to honor and celebrate Midgley’s distinguished career. The symposium was sponsored by Dean Jeffrey Edleson of the School of Social Welfare at Berkeley. We gratefully acknowledge his support. Leading scholars traveled from the U.K., Norway, South Africa, Hong Kong, Australia, and across the U.S. to deliver papers on the current state of social investment and social development; this Special Issue was born at that meeting. By taking global stock of social
investment, this Special Issue will contribute to the literature on social policy and social work and reinforce social investment and social development models as practical strategies for promoting social welfare. The contributors comprise but a small sample of the global academic network of Midgley’s colleagues and former students. The articles span Africa, Asia, Australia, Europe, and North and South America.

The lead article, by Midgley, sets the tone for the Special Issue by providing essential historical and conceptual context. It details the relationship of social development to post-colonialism, community development, social planning, and livelihoods. Assets are placed in their historical context within the U.S., highlighting the role of federal policy, tax programs, Individual Development Accounts, and asset-based community development. Social investment is linked to basic needs approaches, the social democratic tradition, E.U. regional policy, and neoliberal critiques. Despite their different contexts, disciplines, and priorities, these perspectives are revealed to share common features that go beyond traditional consumption-based welfare state policies toward progressive social change.

The next three articles are written by Midgley’s peers and analyze social investment policies in the U.S. and the Global South. The first of these is authored by Michael Sherraden, founder and Director of the Center for Social Development at the George Warren Brown School of Social Work at Washington University at St. Louis. Together with Midgley, he is a pioneer of the International Consortium for Social Development (ICSD). His article demonstrates the application of assets as a form of social investment in social policy. Sherraden traces his intellectual trajectory, summarizing years of rigorous empirical research, and theorizes what a social investment state might look like. Noting that current U.S. social policy incentivizes asset-building among the wealthiest, Sherraden argues that social investment, as a policy tool, is value neutral unless deployed toward advancing social justice.

The next article is written by Adolfo Cazorla, the Director General of the School of Industrial Organization in Spain, and his colleagues Negrillo, Montalvo, and De Nicolas. Their article operationalizes institutional structuralism and managed pluralism in a case study of a microcredit program in Peru. The program’s impressive outcomes emphasize how a participatory
process can strengthen social development efforts in the Global South. The authors indicate how institutions can partner with local organizations to build capacity for social development.

The following article is by Leila Patel, the South African Research Chair in Welfare and Social Development and Director of the Centre for Social Development in Africa at the University of Johannesburg. Patel provides a comprehensive and historical overview of social protection in Africa and analyzes how social protection as a form of social investment has been implemented. Noting that the literature on social protection has been limited to the Global North, Patel demonstrates that new frameworks based on the experiences of the Global South hold significant promise and uses her analysis to critique neoliberal arguments for social austerity.

The remaining articles are authored by Midgley’s former students, who extend social investment into new directions of policy and theory. The first is authored by James Lee, the former Head of the Department of Applied Social Sciences at the Hong Kong Polytechnic University. Lee attends to contemporary limitations of the welfare state by connecting a basic need, shelter, to social investment and social justice, as a major part of the economy. The article posits that housing is an asset that affects peoples’ social welfare through its exchange-value and use-value. Making innovative use of Rawlsian theory, Lee presents the case for predistribution of social goods rather than redistribution. Lee illustrates his argument through the empirical cases of comparative housing markets in Singapore and Hong Kong.

The next article is written by Amy Conley Wright who is the Director of the Institute of Open Adoption Studies at the University of Sydney. This article reframes adoption as a form of social investment policy and integrates the child welfare and social investment literatures. Wright argues for extending Child Development Accounts, as a well-established social investment strategy for children, to children adopted into foster care. Wright provides a comparative analysis of adoption policies and studies from Australia, the U.K., and the U.S., and concludes by proposing policy prescriptions for adoption-based Child Development Accounts.

The following article is written by Mary Caplan of the University of Georgia, Margaret Sherraden, Professor Emerita of the University of Missouri–St. Louis, and Junghee Bae of the
University of Georgia. Their article argues that financial capability should be viewed as a form of social investment. Caplan, Sherraden, and Bae connect financial capability, which is highlighted as one of the Grand Challenges for Social Work, with social investment and social development. They deploy three case studies of national policies from around the globe that promote financial capability, such as conditional cash transfers and mobile banking, and conclude by assessing these financial capability programs from a social investment perspective.

The final paper is by David Androff, Associate Director of the Office of Global Social Work at Arizona State University. Androff presents human rights as a basis for social policy including social investment. Building upon social rights and the right to development, Androff explores how human rights oblige duty-bearers, including states, to make social investments in social welfare. Androff argues that social investment in the areas of poverty, health, mental health, child welfare, and older adults can advance human rights.

While each article is focused on a distinct policy perspective, taken together, these articles echo many themes of Midgley’s work and build upon his legacy in social development, social policy, and international social welfare. Throughout his career, Midgley has argued in his scholarship for social change that is planned and managed by state policymakers who are held accountable by the community (Midgley & Livermore, 2009). These articles also demonstrate a sense of the creativity that characterizes Midgley’s work and draw attention to overlooked topics such as social protection in Africa, housing, and human rights. The articles are appropriately international in scope, as Midgley has consistently demonstrated a global perspective and paid particular attention to the Global South.

Reflection: Midgley’s Impact upon the Editors

Midgley has had an undeniable impact upon the world of social work, social policy and development. His scholarship and career stand as an exemplar for how international exchanges can generate new perspectives with global significance. His faith in the value of scholarship and its potential to impact policy has inspired generations of scholars. Midgley’s influence upon the field has been profound through his prodigious publishing,
indefatigable support for professional organizations, and deep personal connections with people around the globe, including his students. It is in this last group which we (DA & MC) count ourselves as grateful members.

I (DA) first met Midgely in the fall of 2001 when I matriculated as a Master of Social Work student at the University of California at Berkeley. I still recall his address to incoming students; he was funny, personable, and inspirational. My first of many classes with him was his enormously popular course on International Social Work; it had a waiting list. It was in this class that I met my co-editor. His lectures blended social theory, political and economic history, and personal stories with concrete examples. It was not rare for him to cover 500 years in one lecture, while also telling stories about visiting rural villages. It is his impact upon me as a scholar that I treasure the most. Over the years, Midgley graciously gave his time and encouragement as he poured over draft after draft of my dissertation. He introduced me to the community of international social work by taking me to the 2007 International Consortium for Social Development (ICSD) Symposium in Hong Kong. Attending an international conference with Midgley gives a sense of the global academic community. Everywhere I travel I meet people who know and respect him, not just as a scholar, but also as a mentor. At the 2015 ICSD Symposium in Singapore, surrounded with colleagues and former students, we planned the Berkeley Symposium to celebrate Midgley’s career and his transition to Emeritus Professor.

Like my co-editor, I (MC) met Midgley when I was a Master of Social Work student at Berkeley, and I chose Berkeley’s doctoral program precisely because I wanted to continue to work with him. Being a student of Midgley’s means that you have a mentor who is committed to your scholarly growth and excellence, and who encourages you to take intellectual risks. In this way, Midgley has had a profound impact upon my scholarship and teaching, namely in making connections between my subject of study and history. He encouraged me to think deeply and question everything, especially my own thoughts and conclusions. I would often walk away from a meeting with him feeling like a better person: stronger, smarter, and more connected to the world. I often think of his generosity in my interactions
and try to channel it with my own doctoral students, with the intention that his legacy continues on through me.

Midgley emphasized the value of creativity and originality in scholarship to both of us. He taught us that the point of scholarship is to do something new. This requires taking risks and avoiding treading where others have gone; only by doing so can the field advance. Above all, it is the responsibility of the scholar to determine which questions must be asked: not the government, not the funders, not the administrators, nor other elites. Midgley charged his students to safeguard the role of the scholar in society; his sentiment is more relevant today than ever.

And yet, Midgley is an optimist, never losing faith that true progress can be made to improve people’s social welfare around the world. One of the special things about taking a course with Midgley is that he would conclude each semester by reciting Shakespeare to the class. So, as we wait to see what impact he will have next, we will indulge and share in his optimism: “True hope is swift, and flies with swallow’s wings. Kings it makes gods, and meaner creatures kings” (Richard III: 5.2.23–24).

References

Social Development, Asset Building, and Social Investment: The Historical and International Context

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This article provides an historical background to the special issue by tracing the evolution of social development, asset building and social investment in different parts of the world. These approaches transcend remedial and service-oriented interventions and seek to promote progressive social change. They also stress the importance of investing in people and communities, and focusing on their strengths rather than deficits. The historical evolution of these three approaches in different countries and world regions is described, and their key features are highlighted. The article compares these approaches and considers some of their implications for social welfare, pointing out that they raise a number of issues that should be debated. Some of these issues and the challenges they pose to social welfare scholars are discussed.

Keywords: social development, asset building, social investment, international social welfare

Since the emergence of social work and social policy as applied interdisciplinary fields, different approaches for meeting their declared goals of promoting social well-being have been formulated. Prominent among these are what may be called the service provision or “welfarist” approach, which can be contrasted with a change-oriented or “developmentalist” approach. In social work, the former is often associated with family casework and mental health services, while the latter is often linked to community organization and activist interventions. In social policy, the social service model, which
dominated the subject in the latter half of the twentieth century, can be compared to the radical change proposals formulated by critical social policy and Marxist writers. Various iterations of these ideas have emerged over the years and new versions of these approaches have been formulated. Advanced clinical and management techniques have augmented the social service model, while novel approaches such as social development, asset building and social investment now feature prominently among change-oriented proposals.

This article provides an historical background to the special issue by tracing the evolution of social development, asset building and social investment in different countries and regions of the world. Although sharing common features, they emphasize different ways of enhancing social welfare. All transcend remedial and service-oriented interventions by promoting progressive social change. They also stress the importance of investing in people and communities and focusing on their strengths rather than their deficits. The article begins with an overview of the social development approach, tracing its roots in the Global South and implementation in the form of community development, social planning, gender, and livelihoods initiatives. It shows how social development ideas were adopted by the international organizations, resulting in the United Nations Millennium Development Goals and, more recently, the Sustainable Development Goals. Next, it examines the asset building approach which was articulated primarily by scholars in the United States; it found expression in policy proposals for mobilizing financial assets among low-income families and community assets in poor communities. Social investment is then discussed with reference to its popularization in European social policy circles where critical commentaries on the conventional, consumption-based “welfare state” approach has fostered proposals to enhance capabilities and promote people’s participation in the productive economy. Finally, the article compares these three approaches and considers their implications for social welfare. Although they have invigorated social work and social policy, they raise issues which should be analyzed and debated. The article concludes by discussing these issues and their challenges to social welfare scholars.
Social Development in the Global South

Social development has been defined and conceptualized in many different ways. Reviewing these different definitions, Midgley and Pawar (2017) observe that some scholars emphasize community-level interventions while others stress the role of national planning and the integration of economic and social activities. Yet others contend that gender or environmental issues should be prioritized, while others believe that social development should be committed to activism and empowerment. To complicate matters further, these diverse approaches also reflect different normative preferences which affect social development practice in different ways. Midgley and Pawar (2017) point out that the lack of a standard definition is not the result of intellectual sloppiness but of the field’s historical evolution and the way practitioners and scholars have sought to respond to changing social, political and economic events at various times. An understanding of this history helps to explain the different directions social development has taken over the years.

Reviewing the historical record, Midgley (1995) concludes that social development is rooted in the struggle for independence from European imperial rule in the years following the Second World War when nationalist leaders in the Global South took the view that sovereignty required both political and economic freedom. Popular campaigns for liberation were accompanied by technocratic debates about how economies based on colonial exploitation could best become autonomous and sustainable. Many of the independence movement embraced the idea that national planning could be used to direct economic growth by mobilizing capital for industrialization and managing resource allocations to different productive economic sectors. As Lewis (1955), a leading development economist at the time, explained, this will generate wage employment, draw labor out of the subsistence agricultural sector and foster widespread prosperity. It was accepted that consumption should be deferred and that all available resources, including international aid and commercial borrowing should be directed towards industrial investment. However, faced with popular pressure to expand education and health care, many governments began to allocate resources to the social services but sought to configure these allocations in
ways that served economic goals. The emerging human capital literature provided a rationale for health and educational expenditures but, as Livingstone (1969) noted, there was little evidence that the social services inherited from the colonial period contributed to development. It was in this context that efforts were made to identify new approaches to social welfare that contributed positively to economic development.

Community development emerged to fulfil this goal. Drawing on earlier colonial initiatives, as well as the community-based projects established by Gandhi and Tagore in India, many governments, supported by the international organizations, launched national-level community development programs. These uniquely combined social and economic objectives by establishing local human capital and income generating projects that simultaneously met social needs and fostered local production (Pawar, 2014). In addition, Brokensha and Hodge (1969) point out that local participation and self-determination were identified as key principles of community development practice. Although it was believed that community development would not only raise living standards but promote democratic ideals, many governments created national-level, bureaucratically-administered community development programs that fostered the agendas of ruling political parties rather than the interests of local people. In the 1980s, with the retrenchment of government services in the developing world as a result of indebtedness and the imposition of structural adjustment programs, the budgets of many state-managed community development programs were severely cut, and some were even dismantled. Lewis and Kanji (2009) observe that nongovernmental organizations, as well as grassroots community groups often funded by international donors, became increasingly involved in the field. Although community development’s sponsorship and administrative character changed, it was still recognized as the primary social development strategy.

In the 1960s, community development’s formative contribution to social development was augmented by social planning, which sought to address the concern that promoting economic development through national planning was excessively focused on industrial investments, the expansion of trade and spending on infrastructural projects, neglecting the population’s social needs. Recognizing that many governments were committed to
expanding the social services, it became apparent that central planning agencies needed to expand their remit to more efficiently allocate resources to the social services and properly coordinate and implement social sectoral programs (Hall & Midgley, 2004). These developments were facilitated by a number of critical commentaries on the limitations of the industrialization model by scholars such as Myrdal (1970) and Seers (1969) and the adoption of resolutions by the United Nations to promote social planning among its member states (United Nations, 1971). Together with a group of other progressive economists, Myrdal played a leading role advising the United Nations on how economic planning could be refocused to promote social objectives such as raising living standards and improving health, education and housing conditions. At this time, the World Bank, under the leadership of Robert McNamara, prioritized poverty reduction and, drawing on Schultz’s (1959, 1962) pioneering work, recognized the importance of social investments in social development (World Bank, 1975). Under the auspices of the United Nations, expert missions were appointed to advise governments on how to incorporate social development ideas into national plans and in time, national social planning augmented community development as another social development strategy.

The rising international influence of neoliberalism and the imposition of structural adjustment in the 1980s laid the groundwork for the emergence of yet another approach to social development that focused on households rather than communities or the nation state. The livelihoods approach, as it is known, emerged from the pioneering work of Chambers and his colleagues into rural development in the Global South (Chambers, 1983; Chambers & Conway, 1992). Critical of the “top down” approach that characterized much rural community development, they prioritized households as the primary unit for social development effort. Households are also viewed as rational decision makers that act in ways that promote their own well-being. Accordingly, Polak (2008) proposed that social development programs should support their efforts by providing access to expertise and credit and the creation of microenterprises and other income generating projects. In this way, social development enhances capabilities and enables informed choices to be made about how best to improve livelihoods. Championed by the United Nation’s Development Programme (UNDP)
(1990) and the writings of Sen (1999), the livelihoods approach comported with individualist, rational choice and market liberal ideas that had become ascendant in the 1980s. It also strengthened the role of nonstate actors in social development. In addition to the proliferation of nongovernmental organizations, commercial providers became more active in the field, particularly as microenterprise programs were transformed into for-profit enterprises (Bateman, 2010).

At this time, gender, environmental and social justice concerns were increasingly incorporated into social development theory and practice. Gender debates have greatly enriched the field, particularly as the literature on the subject has expanded exponentially, and as major international meetings and conventions sponsored by the United Nations and international women’s groups have pressured governments and international organizations to ensure the full participation of women in development. In addition, the adoption of the 1979 Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) transcended the goal of promoting women’s participation in development to address issues of discrimination and oppression. Consequently, many women’s groups and non-governmental and grassroots organizations have embraced activism as an essential way of achieving gender equality. Notions of empowerment and social justice have also informed the anti-globalization and environmental justice movements. Although these movements have campaigned at the national level and affiliated with organizational networks at the global level, activism has been most effectively promoted by community workers at the local level who have adopted Freirean conscientization (Freire, 1970) techniques and empowerment ideas (Luttrell & Quiroz, 2009) to challenge established hierarchical structures and foment progressive social change.

On the other hand, the international organizations focused largely on national governments, urging the adoption of policies to alleviate poverty and promote health, education, shelter and nutrition. With the convening of the World Summit of Social Development in 1995 and the subsequent adoption of the Millennium Development Goals (United Nations, 2000), efforts were made to enhance the capacity of governments to meet basic needs targets. These were supported by nongovernmental organizations and international donors and involved a huge and unprecedented global commitment to address the most pressing
social problems facing humankind at the turn of the twenty-first century. This development, and the adoption of the Sustainable Development Goals in 2015, confronted the neoliberal orthodoxy that had dominated international affairs since the 1980s and marked a renewed commitment to mobilizing the power of the state to promote social well-being.

A similar and equally important development was the introduction of social protection cash transfers by a number of governments which challenged the market liberal belief that these programs will dampen incentives, foster dependency and harm the economy (Midgley, 2012). Remarkably, the World Bank that previously urged the privatization of statutory income protection programs now championed their expansion (Fiszbein & Schady, 2009). Although dented by recession, and challenged by problems of effective governance and a lack of political will, the resurrection of the state as a primary agent of social development is a significant development with positive implications for the future.

### Asset Building in the United States

Unlike social development, which has been poorly defined, there is far more agreement about the meaning of the term “assets,” which are generally viewed as resources with market value that comprise the property or wealth of their owners. While income is defined as the flow of resources to meet immediate consumption needs, assets are a store or stock of resources that can be used in the future either for consumption or investment. Assets are accumulated by individuals, households, organizations, communities and even nations through regular economic activities, but they may also accrue because of government policies. The term “asset building” is often used to refer to policies of this kind.

In the United States, the state and federal governments have engaged in asset building ever since the country’s founding. Although European imperial expansion in the fifteenth and sixteenth centuries was originally driven by trade, settlement and land acquisition soon became an overriding objective of the colonial enterprise. In feudal Europe, land ownership was highly concentrated among the aristocratic elite and by granting rights of settlement, the European imperial governments provided
undreamed of opportunities for colonists to acquire property, even though this was achieved at the expense of indigenous people who were displaced, often by brutal force. Unlike many parts of Latin America, where large estates emerged, colonial settlement in the United States was characterized by smallholding agriculture and the emergence of a new class of property owners whose beliefs shaped the country’s political culture after its independence from Britain. Since then, asset accumulation through the acquisition of agricultural land, and subsequently through urban homeownership, savings and the purchase of stocks and other forms of property has been a recurrent theme in the nation’s history.

Although seldom acknowledged, the state has actively facilitated asset accumulation over the years. Colonial settlement depended on land grants from the British Crown, and after independence, the United States federal government embarked on a massive program of transferring land to private ownership. Shanks’ (2005) detailed account of this formative asset initiative explains that land transfers began at the time of independence, but accelerated rapidly with the enactment of the 1862 Homestead Act during President Lincoln’s administration. In terms of this legislation, household heads over the age of 21 years could apply for a grant of 160 acres of federal land located mostly in the country’s Western territories, to which they received title after five years of productive use. In this way, approximately 1.5 million families acquired land equal to the combined area of California and Texas. She observes that the Homestead Act was not merely a land giveaway but a deliberate policy to promote asset ownership.

The homestead initiative was accompanied by the allocation of federal land to the states to establish universities specializing in agriculture and engineering, both of which supported the expansion of land ownership. Much later, in the 1930s, the Roosevelt Administration made a major contribution to asset accumulation by introducing mortgage interest tax deductions, and this was accompanied by the creation of federal agencies which provided housing loan guarantees and related services. This process continued after the Second World War with the enactment of the Servicemen’s Readjustment Act of 1944, or the “GI Bill,” as it became known, which Mettler (2005) points out...
provided mortgages and other forms of assistance to soldiers wishing to acquire homes after demobilization. These initiatives massively stimulated asset accumulation in the form of home ownership in the Post-War years.

Government policies have also supported financial asset accumulation. In his popular book *Agrarian Justice* published in 1797, Tom Paine, the radical author and defender of the American Revolution, proposed that the federal government grant a sum of £15 to all adults when they reached the age of 21 years to help them acquire land, set up their own household and, as he put it “begin the world.” Although this proposal was not implemented, the idea that the government should support financial asset accumulation has re-emerged from time to time. In 1974, the federal government created Individual Retirement Accounts (IRAs), which are tax-advantaged savings plans for workers without employee retirement plans. In 1981, this rule was relaxed to permit anyone to open an IRA account. Subsequently, Haveman (1988) advocated the creation of “human capital accounts” to assist young people wishing to save for college, and Ackerman and Alstot (1999) resurrected Paine’s ideas by proposing that those completing high school be given a government grant of $80,000 to spend as they wish.

Although these recommendations were not implemented, Sherraden’s (1991) proposal for the creation of Individual Development Accounts (IDAs), which are matched savings accounts targeted at low-income families, attracted widespread attention and resulted in the creation of a significant number of IDA programs around the country (Schreiner & Sherraden, 2006). IDA accounts are usually managed by nonprofit organizations which are well placed to motivate poor families to open savings accounts in which their deposits are matched, usually on a one-to-one ratio, but sometimes larger matches are provided. Withdrawals are only permitted for approved social purposes such as education, homeownership and small business start-ups. Funding is usually provided by foundations and state or local governments, often drawing on federal funds through, for example, the so-called “welfare reform” legislation enacted during President Clinton’s administration in 1996. Warren and Edwards (2005) note that 22 states had accessed federal funds to establish IDA projects through this statute. In addition,
legislation enacted in 1998 introduced competitive federal grants to nonprofits, credit unions and local governments to launch IDA projects, although on a time-limited basis.

Sherraden’s innovative ideas not only led to the creation of savings accounts that benefit low-income families, but offered a comprehensive rationale for asset accumulation as an alternative to consumption-based welfare. His work had a profound impact on social policy thinking and made a major contribution to the articulation of the social investment approach. In addition to campaigning for the expansion of IDAs, he and his colleagues also supported other forms of financial asset accumulation, such as college savings accounts and child and youth savings accounts. They helped establish a child savings demonstration initiative launched by the state of Oklahoma, known as the SEED OK program, which matched deposits by families saving for a college education (Sherraden & Clancy, 2007). Although the demonstration project and its matches has ended, families can still open tax advantaged savings accounts with the state government. In addition, Sherraden’s work also inspired several international financial asset accumulation initiatives, notably in Britain where he advised the Labour government on creating a child saving account in 2005 and a matched savings account for low-income families in 2009. Sadly, both initiatives were abolished by the Conservative coalition government in 2010, shortly after it was elected to office.

As in other countries, assets are also accumulated at the local level in the United States by community organizations and local government agencies. Most municipal authorities manage parks, libraries, sporting facilities and other amenities which are utilized by their communities. However, these amenities are not always available in low-income areas. On the other hand, the settlement house movement in the late nineteenth century pioneered the creation of community centers in these communities where local people gained access to adult education, recreation, sports and other activities. The settlement houses also facilitated the expansion of community programs in the country’s poor urban areas, and community organizing, or community development as it was also known, became a major endeavor involving the social work profession, nonprofit organizations and government agencies.
However, the staff of these programs often viewed deprived communities in very negative terms, stressing their “pathologies” rather than strengths. After Kretzman and McKnight (1993) challenged this interpretation, the field was radically altered to emphasize the importance of assets rather than deficits in community development. Articulating the asset building community development (or ABCD) approach, they urged that conventional needs assessments, which emphasize problems and shortfalls, be replaced by asset mapping, which encourages community practitioners to work with local community members to identify the local resources on which community development effort can build. In addition to local schools, churches, libraries, clinics, community centers and other facilities, they point out that poor communities have human and social assets in the form of local knowledge and networks that can be used constructively by community practitioners. Since then, their ideas have informed many community-based projects in poor communities in the United States. In addition, Green and Haines (2008) point out that local organizations, such as the Community Development Corporations established in many of the country’s deprived areas since the 1960s, have utilized federal funds to sponsor the construction of affordable housing and other community facilities.

In addition to locally held assets, Americans also have a stake in regional and national assets such as parks and monuments, public universities, state and federal forest lands, the seashore, rivers and watersheds as well as the electromagnetic spectrum and the internet, all of which constitute what Ostrom (1990) called the “Commons.” Facing relentless pressures to transfer these assets to commercial owners, she made a vigorous case for preserving the Commons in the public interest. However, it should be recognized that these assets actually belong to the government rather than its citizens, and some, like Bollier (2006), argue for policies that effectively transfer ownership to ordinary people. One example is the Alaska Permanent Fund established in 1976 which, following a referendum approving an amendment to the state’s constitution, created a sovereign wealth fund which accumulates tax revenues from oil production and pays an annual dividend to each of the state’s residents. Although sovereign wealth funds have been created in a number of countries, the
Alaska fund is distinctive in that all residents have a stake in the fund and directly share its revenues.

Social Investment and the European Welfare States

Investments may be defined as resources that generate future, value added resources. Investments are a key factor in economic development, providing the capital that drives productive activities and producing the surpluses on which economic growth depends. Drawing on these ideas, Midgley (2008) contends that government spending on social programs which generate future yields should not be viewed as fostering consumption but as investments. Accordingly, he defines social investments as resource allocations that produce returns, contribute to development and promote future social well-being (Midgley, 2017b, p. 27). As mentioned earlier, Schultz (1959, 1962) was among the first to argue that government spending on education, health and nutrition are human capital investments rather than allocations that sustain consumption. Since then, the notion of social investment has featured prominently in social development in the Global South, and is being embraced elsewhere, especially in Europe.

Social welfare spending has traditionally been associated with consumption. By providing comprehensive social services and income transfers, governments ensure that the basic needs of their citizens are met. This goal is prioritized by most European governments, which allocate a significant share of public revenues to social welfare. They also accept that social needs should be met as of right, and in addition, there is widespread support for the view that welfare programs foster social solidarity and institutionalize collectively held altruistic sentiments (Midgley, 2009). For these reasons, most European countries are referred to as “welfare states.” Although Greve (2014) notes that the term is poorly defined, it conjures an image of benevolent governments that spend generously to meet social needs. Indeed, Obinger & Wagschal (2010) report that by the beginning of this century, many European governments were allocating more than 25 per cent of GDP annually to the social services. Despite levelling-off since the 1980s (at which time social spending reached unprecedented levels), high social spending continues to characterize most European countries today.
These spending levels have been criticized by politicians and social policy writers on the political right for many years. For example, Sinn (2007) claims that Germany’s extensive welfare programs are damaging the country’s economy and harming its future prosperity. Similar views have been expressed by other scholars and several European governments have been persuaded to reduce social spending or otherwise impose work conditionalities on welfare recipients. As Wahl (2011) observes, even the emblematic Nordic welfare states have not been immune from market liberal pressures to “reform” their social welfare systems. Other writers who are not associated with the political right concede that that the traditional consumption-based welfare state is unsuited to the economic, demographic and social changes that have taken place in Europe and other Western countries in recent times. These changes include deindustrialization, population aging, persistent structural unemployment and new attitudes and lifestyles that reflect the rise of individualism. All have limited the ability of European governments to meet the needs of their citizens through comprehensive social services and income transfers. Accordingly, many social policy writers argue that a more dynamic approach which transcends the conventional consumption-based welfare system should be adopted. Since social investment enhances peoples’ capabilities and fosters their participation in the productive economy with positive social and economic effects, it offers an alternative of this kind.

An important contribution to the articulation of the social investment approach came from the British Labour Party’s Commission on Social Justice which was appointed to review the Party’s policies in the wake of its unexpected electoral defeat in 1992 (Commission on Social Justice, 1994). Questioning the assumptions on which the Party’s social policies had been based, the Commission recognized that Labour’s traditional proletarian commitments and class loyalties had failed to accommodate rising affluence as well as consumerism, individualism and growing skepticism about government welfare. The Commission concluded that a new approach, which emphasizes knowledge and skills acquisition, productive employment and economic participation, is required. It was in this context that the term “social investment state” was coined by Anthony Giddens (1998), the respected sociologist and
adviser to Prime Minister Tony Blair. The social investment state, Giddens claimed, will shift social policy’s preoccupation with providing services to “passive” welfare recipients to investing in their capabilities to function effectively in the productive economy. Huo (2009) observes that Social Democratic parties in other European countries were also formulating revisionist agendas at this time to place more emphasis on education and employment-friendly policies than welfare transfers.

Another important contribution was the European Union’s Lisbon Treaty of 2000, which was primarily concerned with updating the Union’s constitutional provisions, but member states were also urged to refocus their criminal justice, security and welfare policies to achieve greater standardization, improve coordination and to promote approaches better suited to changing needs and realities. van Kersbergen and Hemerijck (2012) note that the treaty’s Social Agenda addressed the limitations of the traditional welfare state approach which, it was argued, needed reformulation if the social challenges facing the Union’s member states were to be met. Mindful of high rates of unemployment and particularly youth unemployment, the Social Agenda urged that greater emphasis be placed on job creation, education and skills development, new forms of work organization and innovative policies that promote social inclusion. Interventions of this kind were soon associated with the notion of social investment.

These events inspired some European social policy scholars (Bonoli, 2013; Esping-Andersen, Gallie, Hemerijck, & Myles, 2002; Hemerijck, 2013; Morel, Palier, & Palme, 2012) to commend the positive features of social investment and to advocate for its adoption. Although social investment is defined in different ways and often emphasizes particular interventions such as employment services, skills training, or childcare, the new social investment approach has common features. First, it is exclusively statist focusing on statutory welfare, ignoring the contribution of nonprofits and faith-based organizations, markets and families and particularly the role of women in social welfare. Another feature is the idea that social investment is a new and distinctive paradigm that differs from the traditional welfare state paradigm. What Giddens (1998) calls the “social investment state” is qualitatively different from the “welfare state.” Morel et al. (2012) agree and contrast the social investment paradigm with
the Keynesian and neoliberal paradigms. A third feature is that social investments are initiated and implemented at the national rather than the local level. Indeed, as Midgley (2017b) points out, European social investment writers have paid little attention to community-level interventions, even though many communities have adopted programs that actively promote social investments.

Elaborating on the social investment paradigm, most scholars draw a sharp distinction between policies and programs that promote investments and those that perpetuate consumption. Morel et al. (2012) offer a helpful schematic representation of this difference showing that social investments promote labor market participation and prepare people for employment, while consumption-based welfare is concerned with income transfers, social services and decommodification. Esping-Andersen et al. (2002) concur, noting that social investment prioritizes child-centered human capital investments, affordable daycare, family leave and other employed-focused policies. Many social investment writers employ catchy epithets for contrast. Morel et al. (2012) distinguish between “preparing” and “repairing” social programs, claiming that the former facilitates peoples’ participation in the productive economy, while the latter seeks to remedy the problems facing needy families. Other terms such as “productive” versus “protective” welfare and “promotive” rather than “supportive” welfare have also been used to illustrate the difference between social investment and conventional social welfare.

Social investment scholars like Hemerijck (2012, 2013) offer a stadial, historic interpretation of the emergence of the social investment paradigm, contending that the adoption of the European Union’s Lisbon Treaty heralds the emergence of a new stage in the history of social policy. He argues that this shift, which he calls the social investment ‘turn,’ is a profound development involving a gestalt switch from traditional welfare transfers to empowering investments (2013, p. 39). Like Morel et al. (2012), he believes that the welfare state has evolved from the Keynesian era which emphasized service provision through the neoliberal stage which prioritized work and productivity to the new social investment stage. Jenson (2010) also claims that the emergence of social investment marks the end of the neoliberal period with its emphasis on individual responsibility, unfettered markets and minimal state involvement.
Although this interpretation views the advent of social investment as a recent development, Morel et al. (2012) believe that social investment ideas can be traced back to the 1930s when Myrdal first argued that social welfare programs contribute positively to the economy. However, Midgley (2015) observes that social investment has an earlier provenance, pointing out that an important precursor was the concern with what was called national efficiency in Britain in the early twentieth century. At this time, it was recognized that the country’s poor standards of nutrition, health care and education had lowered “population quality,” with negative consequences for Britain’s position as a major imperial power. By expanding the social services, the population’s “fitness” to compete successfully against rival imperial powers would be enhanced. Although he also notes that social investment ideas have long featured in social development in the Global South, most Western scholars contend that social investment is of recent origin. Many also believe that it is likely to become the dominant feature of European social policy. By shifting the emphasis from income transfers and social services to social investments, Esping-Andersen et al. (2002) contend that a “new welfare state” will emerge. However, given the realities of population aging and the need for social protection programs that cushion the effects of economic volatility, traditional welfare programs are likely to remain a dominant feature of social policy in Europe for many years to come.

Implications for Social Welfare

These three examples of the change-oriented developmentalist approach share common features. As mentioned in the introduction to this article, they all prioritize interventions that foster growth and progressive change and, in this way, transcend social welfare’s problem-solving and maintenance functions. Progressive change is a clearly defined objective of social development and, as Midgley (2014) points out, many scholars and practitioners working in the field emphasize interventions that foster this goal. Indeed, he himself defines social development as a process of planned social change in which economic, social, gender, environmental and other dimensions of the development process are harmoniously integrated (2014, p. 13). The notion of change is also incorporated
into the assets and social investment approaches, both of which seek to promote future well-being. Sherraden (1991) stresses the way financial asset building inculcates a future orientation among participants that enhances their capacity to meet their social needs.

All three approaches also recognize that purposeful interventions are needed to achieve change. Unlike Hayekian market liberals, they reject the idea that progressive change occurs spontaneously, and argue instead that purposeful interventions by governments and other agents are required. These agents include community groups, nonprofit organizations, professionals, paraprofessionals and even commercial providers. In the European social investment approach, the state is identified as the primary agent for achieving change, while in social development, multiple agents, and especially community level organizations, contribute to the change process. In asset building, nonprofits and professional personnel play a key role in promoting both financial and community asset accumulation.

All three approaches prioritize interventions that have an investment function by allocating resources that generate future returns. This emphasis is eponymously obvious in the work of European social investment scholars, but it also characterizes the social development and asset building approaches. In social development, human capital and social capital investments are given high priority, particularly at the community level. The notion of investment is central to the asset building approach, where asset accumulation facilitates the mobilization of resources for future well-being. Sherraden’s (1991) pathbreaking book not only offered practical proposals for financial asset accumulation but was the first to articulate a comprehensive rationale for transcending the consumption-based welfare system through social investments. As he eloquently put it, “We should think about welfare policy not solely as support but also as investment. We should look not solely at deficiency but also at capacity” (p. 13).

The idea that peoples’ strengths and capabilities should be enhanced is another common theme in the developmentalist literature. In addition to implementing a variety of programs and projects, collaborative partnerships that utilize capabilities in ways that promote participation and self-determination are emphasized. Accordingly, clients are not regarded as the passive recipients of treatment or services but as active participants in promoting social well-being. In social development, these notions have historically been prioritized in community-level
interventions where local people are seen as partners capable of determining their own priorities and of identifying the best ways of reaching collective goals. Asset building also recognizes the importance of combining capabilities with interventions such as matched savings accounts. Sherraden (2005) draws on Sen’s (1985) ideas to formalize the role of individual effort and self-determination in asset building. Similarly, in the European social investment approach, human capital and other investments provide the means by which peoples’ abilities to participate fully in the productive economy are realized. However, European social investment writers place more emphasis on implementing national-level policies than people’s participation, revealing a preference for state directed “top-down” interventions.

Despite these commonalities, the three approaches also have distinct features. The European social investment approach has been formulated in the context of welfare state discourse, while asset building and social development draw liberally on ideas from diverse disciplines, including economics, sociology, and social work. Social development emerged as a subfield of the interdisciplinary subject of development studies and it also draws on the insights of economics and sociology. Other interdisciplinary fields are exerting increasing influence on social development. One of these is gender studies, which informs much social development practice today. The field of environmental studies has also become increasingly important, shaping the notion of sustainable development which is incorporated into social development’s literature as well as professional practice. Its influence is revealed in the naming of the new Sustainable Development Goals, which succeeded the Millennium Development Goals.

The three approaches also differ in that they prioritize investments targeted at different groups and at different levels. Both social development and asset building are focused on households and communities, but they also operate at the national level in the form of government planning and policy making and the creation of nationally held assets. On the other hand, social investment focuses on the national level. In addition, different approaches prioritize different interventions. The European social investment approach emphasizes policies that promote employment and skills acquisition, while asset
Social Development, Asset Building, and Social Investment

Building is concerned with savings accounts and the creation of community-level facilities. Social development utilizes a plethora of programs and projects including childcare centers, schools, community health clinics, microenterprises, cash transfers and food-for-work programs, among others, creating an eclectic set of interventions that are not always harmonized or incorporated into a coherent conceptual framework. This poses a challenge for practitioners who Midgley (2014) believes will benefit from working within a more coherent and inclusive conceptual framework.

The same observation applies to the three approaches discussed in this article which currently offer distinctive but overlapping agendas for achieving social change. Although it can be argued that they give voice to legitimate normative differences, problems of duplication and fragmentation limit practice efficacy. The problem is compounded by a lack of collaboration between academics and practitioners working in these different fields. European advocates of social investment are largely ignorant of the work of social development scholars who, in turn, have a limited understanding of the way social investment ideas have emerged in Western social policy. However, the problem also presents an opportunity for scholars to formulate an inclusive conceptual framework that can accommodate different ideas, values and practice modalities and facilitate the implementation of effectively interventions.

Another challenge concerns the need for a greater international commitment. This article has deliberately highlighted the way the three change-oriented developmentalist approaches have been articulated in different parts of the world. However, they are not limited to specific countries or regions. Asset building ideas from the United States have been adopted in many other nations, and as Moser and Dani (2008) reveal, have been actively promoted in the Global South by the World Bank. Similarly, social development practice innovations have not been confined to the developing nations but have also been implemented in Western countries. For example, microenterprise projects based on the Grameen Bank in Bangladesh have been replicated in the United States. In addition, the United Nations has played a major role in diffusing social development ideas around the world, particularly through sharing information about implementing the Millennium Development Goals. Their workshops, conferences and publications have made
a major contribution to spreading practice wisdom internationally. However, greater effort is needed to ensure that innovative ideas and practice experiences are disseminated globally so that practitioners working in government agencies, nonprofit organizations, community groups and others can benefit from informative reciprocal exchanges. In this way, what Midgley (2017a) calls a “one world” perspective in social welfare that fosters progressive social change and enhances the well-being of all the world’s people may emerge.

References


Asset Building as Social Investment

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Prologue

Jim Midgley has made wide and lasting contributions to scholarship in social work, social policy, and social development in the United States and in the world. Following his training at London School of Economics under Richard Titmuss, and escaping Thatcherism in the United Kingdom, he arrived in the United States as the Dean of the School of Social Work at Louisiana State University. Very shortly afterward he connected with Margaret Sherraden and me, and he has been a valued colleague ever since. Dr. Midgley soon became Vice Chancellor for Research at LSU, and a few years later accepted an appointment as Harry and Riva Specht Professor of Public Social Services and Dean of the School of Social Welfare University of California, Berkeley. Trained in European scholarship, Jim Midgley has brought much needed historical, comparative, and interpretative perspective to social welfare scholarship in America (where we are more inclined to count and a bit less inclined to think). He has the most extensive network of academic relationships of anyone I know, and he has been a very productive organizer of academic events in the United States and abroad. He contributes to on-going inquiry and discourse in social development on a global scale. On a personal level, Jim and his lovely wife Dija have been cordial and welcoming for decades; they are dear friends. In writing this paper, I am very pleased to add my voice in Jim’s honor.

Inclusive asset building as a social policy innovation is a relative “newcomer” in policy discussions and research. The context is that since the middle of the 20th century, many countries implemented asset-building policy that is not inclusive, serves mostly the well-off, and is highly
regressive. In the United States, for example, the largest policy mechanisms are in tax benefits for home owning and saving for retirement. Altogether in the United States, such policies transfer about $500 billion dollars per year to the non-poor, most of this to the top 10%. This of course exacerbates inequalities in wealth and social development. In contrast, ideal features of an inclusive asset building policies are universal, lifelong, and progressive. Everyone would build assets, with higher public subsidies to the poor than to the rich. The main policy instrument would be a system of accounts where assets accumulate, to be used for a wide range of social purposes, including education, housing, health, and retirement security. Ideally accounts would begin at birth, and serve multiple purposes across the life course. Rationales for this policy innovation include both economic security and positive development effects of asset accumulation. Results of rigorous research are promising. Policy pathways and potential are considered in this paper.

Keywords: asset building, social policy, social investment, income support

Why Inclusive Asset Building?

Income support may not be a sufficient policy to achieve stability and development of families and communities. Income is the typical metric for evaluating economic well-being, and has been the defining strategy for the “welfare state” in the 20th century. To be sure, a flow of resources over time supports consumption, but it may not be sufficient for well-being. The underlying assumption has been that most households will be supported by wages from industrial labor markets, and income support policies will fill the gaps—for the old, the disabled, death of a wage earner, and so on. However, this may no longer be the case for millions of households in advanced economies. Two factors are critical: (a) increased globalization and international competition that overall puts pressure on income from employment; and (b) information age technology is eliminating jobs and may eliminate many more in the years ahead. As a result of these trends, labor income is less adequate and less stable. Indeed, worldwide, a declining proportion of total economic product is going to labor and a growing portion is going to capital. This large pattern of resource flows has greatly exacerbated income and asset inequality (Piketty, 2014). To summarize
succinctly, the assumption that labor income can and will support the well-being of most households is increasingly tenuous. Thus, it makes sense that more countries today are exploring alternatives. Major alternatives include universal basic income support, large-scale public employment, and inclusive asset building. This paper takes up inclusive asset-building and the potential of asset-based social policy (e.g., Organization for Economic Co-operation and Development, 2003). Assets also matter for well-being, independent of income (Sherraden, 1991). Assets are the “stock” of resources that enable people to finance irregular expenses, purchase large-ticket items, weather financial crises, and most important of all, invest in long-term development through education, training, home ownership, business ownership, financial securities, and so on.

Asset building can contribute to household development

For families to develop, it is necessary to accumulate resources for investments in education, skills, property, and enterprise. This is true for all families, rich and poor alike. Asset building creates material conditions, as well as outlooks and behaviors, that promote household stability and development (Sherraden, 1991). Assets enable people to make investments that expand their capabilities and improve their circumstances over the long term—for example, investments in education, homes, or enterprise (Paxton, 2001). The capacity to invest in one’s self and one’s family has become even more important in today’s rapidly changing knowledge-based global economy (Sherraden, 2014).

Assets are important because they provide resources and security for daily living, and serve as a form of insurance by enabling people to weather crises and meet irregular expenses. Assets also enable people to invest in education, homes, small businesses, and other opportunities that support development over the long term (Sherraden 1991, 2014). There is widespread belief and a growing body of evidence that holding assets changes a person’s attitudes and behaviors in positive ways. Many studies now show that financial assets and homeownership are positively associated with children’s educational attainment and emotional and behavioral well-being, probably at least in part
because assets change expectations about the future (see Elliott & Beverly, 2011; Huang, Sherraden, Kim, & Clancy, 2014; Kim, Sherraden, Huang, & Clancy, 2015; Nam, Kim, Clancy, Zager, & Sherraden, 2013; Shanks, Kim, Loke, & Destin, 2010; Sherraden et al., 2015). A growing body of research documents that early investments in children can have a large economic payoff (e.g., Heckman & Masterov, 2007), and Singapore provides a policy example of asset-based investments in children (Loke & Sherraden, 2009).

There is growing recognition that income alone is insufficient to provide for well-being, even economic well-being. Sen (1993) and others are looking toward capabilities. Asset-based policy can be seen as part of this larger discussion, as one strategy to build long-term capabilities. As public policy, asset building may be a form of “social investment” (Midgley, 1999; Sherraden, 1991, 2003a). From this perspective, inclusive asset-based policy is a complement, not a tradeoff, to income-based policy.

Asset-Based Policy as Social Investment

In *Assets and the Poor* I introduced the concept of inclusive asset-based policy, and proposed a new perspective on policy as social investment: “Therefore, we should think about welfare policy not solely as support but also as investment” (Sherraden, 1991, p. 13). Adding, “asset-based welfare, in a very important sense, is not a cost, but rather a system of investment” (p. 267), and concluding:

It is probably a strategic error to think about welfare policy for the poor as a separate residual function. Such policy should be integrated with the major social, economic, and political purposes of the nation. In essence, assistance to the poor should not be viewed entirely in humanitarian terms, but also as an investment in the future. This is not to abandon the ideas of need and caring, but simply, in addition, to recognize and articulate that well-being and productivity of the poor are in the economic and social interests of the nation as a whole (p. 301).

At Jim Midgley’s request, I joined with him on a chapter in an educational project entitled *Controversial Issues in Social Policy* (1993). Our chapter in this book is “Can asset based policy really help the poor?” I took the “yes” side and Jim took the “no” side.
Projects like this make us (and we hope make the readers) think. I concluded my section under the heading “A new direction in social policy: Social policy as investment,” saying: “Social policy should invest in the American people—and encourage them to invest in themselves—so that they can become stakeholders and active citizens” (Sherraden, 1993, p. 87). I later developed this theme again in “From Social Welfare State to Social Investment State” (Sherraden, 2003a, 2003b):

The welfare state at the start of the 21st century appears to be in the midst of a transformation. The original consensus was that, if the market economy was sufficiently productive, it could be taxed to support social expenditures. These social expenditures were assumed to be a diversion of capital from production and a drag on economic growth.

Today, the assumed competition between social protection and economic growth is being challenged. There is increasing recognition that social spending for some purposes and/or in some forms can contribute to both economic growth and social development. Reflecting this, the best social policy alternatives will move beyond the idea of consumption-as-well-being, toward what Amartya Sen identifies as capabilities. Building people’s assets is one policy pathway to both increase capabilities and eliminate the trade-off between economic growth and social development in the process. Consistent with this perspective, social policy in the 21st century may have three major goals:

(a) Social protection goals. To buffer hardship and promote social stability has been the primary—almost exclusive—theme of 20th century welfare states. The focus is on standard of living, coverage, and adequacy and minimum protections at the bottom. This is social welfare defined in terms of income and consumption;

(b) Development goals. Promoting the economic and social development of families and households and their active participation in work, community and civic affairs may become as important as social protection goals; and

(c) Macroeconomic goals. Increasingly, social policy will be formulated with macroeconomic considerations in mind,
including counter-cyclical spending, fiscal stability, savings and investment, and economic growth.

In other words, social policy appears likely to move beyond consumption support, aiming for greater social and economic development of households, communities, and the society and economy as a whole. An active social policy that promotes engagement is better suited to the post-industrial economy...New thinking and new calculations on the part of government will be required. In the Social Investment State, there is not necessarily a trade-off between redistribution and growth. Promoting and subsidizing asset holding by the poor can contribute to growth in the long term.

Asset Building: Toward Inclusive Policy

In contrast to the limited and regressive asset policy currently in place in the United States, comprehensive asset building policy would be universal, progressive, and lifelong (Sherraden, 2014).

*Universal.* Under *universal* policy, there is full inclusion: everyone participates. Full inclusion cannot be achieved without automatic enrollment and automatic deposits that are not contingent upon family deposits (Beverly, Kim, Sherraden, Nam, & Clancy, 2015b; Clancy, Beverly, Sherraden, & Huang, 2016; Clancy & Sherraden, 2014). If participation is voluntary, requiring people to enroll, a higher proportion of advantaged families will participate and benefit. If asset accumulation depends primarily on family deposits (as in the defined contribution programs described above), advantaged families will receive nearly all of the subsidies. In current policy, more than 90% of the subsidies go to the top 50% by income (Howard, 1997; Sherraden, 1991; Woo, Rademacher, & Meier, 2010). This is true for asset building policies for all purposes, whether for home owning, retirement, college expenses, health care, or other purposes. In contrast, automatic enrollment (with the ability to opt out) and automatic deposits extend the benefits of asset holding and asset subsidies to everyone, regardless of socioeconomic status. In fact, automatic features have larger impacts on disadvantaged families.

*Progressive.* Under *progressive* policy, the poor would receive greater public support than the nonpoor. Good governance might define policy for the people who most need the support
and services (disability benefits for the disabled, retirement support for older adults, and so on). In asset building policy, however, we do just the opposite—we have constructed the policy to make the rich richer. This is an ineffective use of public resources. If U.S. policy is supporting asset building, at a minimum policy should be *fair* (in the sense of the same dollar amount for all). And ideally, the policy would be *progressive* (more for those who are most in need).

Under *lifelong* asset building policy, investment accounts would be opened early—ideally at birth—and would follow them into retirement. Opening accounts early is important for many reasons. First, asset accumulation is a long-term process. Over time, regular deposits—even small ones—can result in significant asset accumulation. Second, opening accounts and providing subsidies early allows families to benefit from investment earnings so assets may grow substantially even if families do not contribute. Third, asset holding appears to affect attitudes and behaviors in positive ways, and it seems helpful to initiate these changes early. An early start also provides an opportunity to build financial capability in households, which establishes a foundation for positive financial functioning and asset building throughout life (Sherraden, M.S, 2013; Sherraden, M.S. & Grinstein-Weiss, 2015).¹

**Two Initiatives in Asset-based Policy in the United States**

*Individual Development Accounts*

As a response to regressive policy, Individual Development Accounts (IDAs) were proposed as a universal and progressive asset-building policy (Sherraden, 1991). As originally proposed, IDAs would include everyone, provide greater support for the poor, begin as early as birth, and be used for key development and social protection goals across the lifespan, such as education, home ownership, business capitalization, and retirement security in later life. Although proposed as a universal and lifelong concept, IDAs have been implemented so far as a targeted and short-term policy for low-income adults. (In the typical IDA program, individuals open and save in a restricted bank
account and earn 1:1 or 2:1 matches if withdrawals are used for postsecondary education, homeownership, or small business development.) Why did this occur? New ideas must enter and compete in the always challenging arena of policy-making. IDAs in this version were what was possible to do at the time. Thus, IDAs as targeted and short-term asset building have been in a demonstration mode for two decades, with many variations in the United States and other countries. We have learned a great deal during this demonstration process (see Lessons from Implementation and Research below). But this is far from a comprehensive asset-based policy.

*Child Development Accounts*

The next challenge was to return to the original concept of universal and lifelong asset-building. Child Development Accounts (CDAs) are savings or investment accounts supporting asset accumulation for developmental purposes and life course needs. Under the policy vision articulated by Sherraden (1991, 2014), the federal government would automatically open an account for every newborn and provide a substantial initial deposit (e.g., $500 to $1,000). Low- and moderate-income children would receive additional automatic deposits at certain milestones like entering kindergarten and graduating from high school, and public or private funds would match deposits by parents and others into the accounts of low- and moderate-income children. Accounts would eventually follow individuals throughout the life course, supporting asset accumulation for postsecondary education, home purchase, small business development, and retirement security. That is, CDAs would become universal, progressive, and lifelong.

CDAs have been implemented at national, state, and local levels. Singapore has the oldest and most comprehensive asset-building policy (Sherraden, Nair, Vasoo, Liang, & Sherraden, 1995), including CDA accounts, deposits, and savings matches supporting asset accumulation for education and children’s health-related expenses (e.g., Han & Chia, 2012; Loke & Sherraden, 2009). In 2016, Singapore substantially expanded its CDA policy, increasing the cash gift and providing a new automatic deposit for preschool and early childhood expenses when parents open a special account. Other countries with national CDA
policies include Canada (for postsecondary education; low- and moderate-income children receive subsidies), Korea (for postsecondary education, housing, small business development, medical expenses, or wedding expenses; children in the child welfare system and some children in families receiving welfare are eligible), and Israel (initially for postsecondary education, homeownership, small business development, and wedding expenses; beginning in 2017, all newborns will automatically receive accounts and monthly deposits). The United Kingdom had a universal and progressive CDA from 2005 to 2010; it was eliminated as a budget-cutting measure in an “austerity” response of the newly formed UK coalition government in 2010 (Loke & Sherraden, 2009).

In the United States, legislation to create a national CDA policy has been introduced in several sessions of Congress, notably through the America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act (Cramer & Schreur, 2015) and more recently through the USAccounts: Investing in America’s Future Act (U.S. Congress, H.R. 4045, 2015). Also, in early 2016, 4 states (Connecticut, Maine, Nevada, and Rhode Island) had statewide CDAs, with more in discussion (Clancy & Beverly, 2016). The most comprehensive statewide CDA policy is in Maine, where every resident newborn automatically receives a $500 grant for postsecondary education and every child is eligible for up to a $300 annual match on savings deposited into a state 529 account (Clancy & Sherraden, 2014).² A number of U.S. cities and localities also have child accounts. Perhaps best known is the Kindergarten to College (K2C) program in San Francisco, which aims to include all public school children (Phillips & Stuhldreher, 2011).

Lessons from Implementation and Research

IDA s were rigorously examined in the American Dream Demonstration (ADD), an experimental, longitudinal, and multi-method study (see, e.g., Mills, Gale, Patterson, & Apostolov, 2006; Schreiner & Sherraden, 2007; Sherraden et al., 1999; Sherraden et al., 2005; Sherraden & McBride, 2010). Analysis of account data shows clearly that some low-income people will save in a structured and subsidized savings program. Over 36 months, IDA participants saved an average of $17 a month or
about $200 per year. The average participant made a deposit in about half of the months that her IDA was open and deposited about 42 cents for every dollar that could have earned a match. A diverse group of low-income people saved in IDAs. Participants’ saving was influenced by match rates, match caps, time caps, and other program rules (Schreiner & Sherraden, 2007). At the end of the experiment, the IDA program had a positive impact on homeownership rates. This relationship was mediated through debt reduction (Grinstein-Weiss et al., 2008).

Six years after the IDA programs ended, researchers followed up again with participants in the Tulsa experiment and compared outcomes for those in the treatment group to those in the control group (Grinstein-Weiss et al., 2012, 2013a, 2013b, 2015). Because these two groups were formed through random assignment, differences in outcomes can be attributed to the IDA program. The programs had positive impacts on two of five IDA uses: First, rates of enrollment in educational programs were higher in the treatment group than in the control group. Moreover, this difference in educational participation was larger for males than for females (Grinstein-Weiss et al., 2013a). Second, the program had a positive impact on home repair (Grinstein-Weiss et al., 2012). In addition, although the impact of homeownership was no longer significant at the six-year follow-up for the full sample, for participants with above-median income, there was a positive impact on homeownership rate and duration (Grinstein-Weiss et al., 2013b). In another randomized experiment in Canada, IDAs for education and small business development had positive impacts on financial management, self-reported saving behavior, attitudes about education, enrollment in postsecondary education, and microenterprise start-up (Leckie, Hui, Tattrie, Robson, & Voyer, 2010).

In-depth face-to-face interviews with IDA participants shed light on people’s perceptions of IDAs and saving and help us interpret quantitative findings about participation and impact. Rigorous analysis of data from interviews with ADD participants shows that, while saving was very difficult, participants wanted to save and appreciated having a structured savings program with incentives, financial education, and other support. And account holders described noteworthy cognitive and psychological effects. For example, some of the participants who successfully saved reported feeling that they had more control
over their lives and more confidence in their ability to make decisions and plans for themselves and their children (Sherraden et al., 2005; Sherraden & McBride, 2010).

Looking back after several years, and assessing all the evidence and experience, Sherraden (2014, pp. 270–271) suggests these as important lessons from ADD and other studies of IDAs: (1) the poor can save when they have structures and incentives to do so; (2) saving is explained mostly by institutional arrangements, as in a 401(k) plan; (3) individual behavior is not enough: there has to be a structured platform and plumbing; (4) it is much easier to build on an existing policy platform rather than try to create a new one (in retrospect, we were quite naïve not to see this at the outset); and (5) as theorized in *Assets and the Poor*, it is asset accumulation that matters most for outcomes in well-being. In sum, asset-based policy is not all about improving choices, behaviors, and other characteristics.

Because CDAs are a comprehensive asset-building policy, lessons about their implementation and impact are especially valuable. The SEED for Oklahoma Kids (SEED OK) experiment, which began in 2007, is the most rigorous study of CDAs to date. Research methods include probability sampling from a full state population, random assignment to treatment or control group, and multiple data sources including surveys, extended in-person interviews, and account information provided by the account manager, not self-reported by participants (Nam et al., 2013; Zager, Kim, Nam, Clancy, & Sherraden, 2010). The CDA in SEED OK has characteristics recommended by CDA proponents, including automatic opening and automatic initial deposits for all and progressive subsidies to support asset accumulation by low- and moderate-income families.

The CDA in SEED OK was the first fully inclusive CDA in the United States, that is, the first to provide accounts and assets to all children (in this research case, all children in a randomly selected sample and randomly assigned treatment group). SEED OK achieved full inclusion through automatic account opening and automatic initial deposits. One of the strongest findings from CDA research thus far is that full inclusion cannot be reached without these automatic features (Beverly et al., 2015b; Clancy et al., 2016; Nam et al., 2013; see also Clancy & Sherraden, 2014). The fact that parents and children did not have to “do” anything to receive accounts and initial deposits does not
make achieving full inclusion any less meaningful. CDAs are a population intervention, like an urban plumbing system providing water to all residents (Clancy et al., 2016). And, as Beverly, Clancy and Sherraden (2016, p. 8) note, “Demonstrating full inclusion paves the way for widespread participation in asset building and more equitable distribution of public resources.”

Another early lesson from SEED OK is that creating an asset-building program on an existing centralized platform, such as a 529 plan, has many benefits (Clancy, Sherraden, & Beverly, 2015). Centralized recordkeeping and investment create efficiencies and allow for all to be included. (It would be very difficult for multiple local programs to achieve full inclusion.) In addition, including the full population in a single platform allows larger, more profitable accounts to subsidize smaller, less profitable accounts, and this helps make a fully inclusive policy financially viable for asset managers. IDA demonstrations reveal the value of using an existing platform rather than creating a new one, so it is important to emphasize that the 529 platform exists, and experience shows that it can be adapted for CDAs. Also, unlike basic bank savings accounts, 529 investment accounts have the potential for market growth (and the risk of market losses), and SEED OK research demonstrates the common-sense notion that all households can benefit from asset growth (Beverly, Clancy, Huang, & Sherraden, 2015a) In short, the 529 platform can be viewed as pubic resource that, with some adaptations, can benefit everyone.

Turning to findings about the impact of CDAs over time, because so few children have college accounts and college savings without a CDA, the CDA in SEED OK has very large impacts on account holding and asset holding, especially for disadvantaged children. Also, as expected, the CDA eliminates or greatly reduces variation in account holding and CDA asset holding by socioeconomic status; that is, it reduces asset inequality early in life (Beverly et al., 2015b). The CDA also increases the likelihood that parents themselves save for their children’s future college expenses, and this is true in both advantaged and disadvantaged families (Beverly et al., 2015b). The CDA in SEED OK also has positive impacts on mothers’ expectations for their children’s education, mothers’ mental health, and child social-emotional development. Again, the effects of the CDA are often larger for disadvantaged children, which seems to be largely
due to the automatic features of the CDA, and not to parental saving behavior (Huang et al., 2014a, 2014b; Kim et al., 2015).

In the United States, CDAs have been proposed at the federal level several times, typically with bipartisan support. The America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act has been introduced in many sessions of Congress (Cramer, 2009; Cramer & Schreur, 2015), and the US-Accounts: Investing in America’s Future Act was introduced in 2015 (H.R. 4045, 2015). Both proposals would open an account and provide an initial deposit for every newborn in the country. Both would provide a progressive savings match. Funds could eventually be used for postsecondary education, homeownership, and retirement security. The potential for a national policy in the United States may increase, with innovations now occurring in U.S. states and cities (see examples below).

At this writing, there are four statewide CDAs in the United States (Clancy & Beverly, 2017). These policies are important because they extend the benefits of account holding and asset holding to many families. These state CDAS are also important because they serve as testing grounds, providing lessons and perhaps inspiration for a nationwide CDA program. All four of the statewide CDA programs support asset accumulation for postsecondary education and training. All are built on their state’s college savings plan. (College savings plans, commonly called “529 plans,” were authorized by the federal government in 1996 to encourage families to save for postsecondary education. They provide tax-advantaged investment accounts with a limited selection of investment options [Clancy, Lassar, & Taake, 2010; Clancy et al., 2015].)

The oldest and most comprehensive statewide CDA program is in Maine. This program—which is privately funded—was piloted in 2008, was offered statewide in 2009, and became universal and automatic in 2014. Now, every resident newborn automatically receives a $500 grant for postsecondary education. Personal savings deposited into the state’s 529 plan are matched at a 50% rate up to an annual maximum of $300. Match money is deposited automatically, regardless of family income, and there is no lifetime maximum (Clancy & Beverly, 2017; Clancy & Sherraden, 2014; Huang et al., 2013). The decision to make account opening, initial deposits, and matching deposits automatic—which came after CSD research and consultation
led by Margaret Clancy—created the first fully inclusive CDA in the United States (Clancy & Sherraden, 2014).

Informed by the development and implementation of Maine’s program, Rhode Island, Nevada, and Connecticut have also created statewide CDA programs. In Rhode Island, parents enroll their newborn children by checking a box on a form used to register birth certificates. Enrolled children automatically receive a $100 initial deposit; there are no additional incentives. Nevada automatically enrolls every public kindergarten student and deposits $50 into a master account. If parents (or others) open a 529 account for them, then low- and middle-income children are eligible for a savings match on deposits into this account. Connecticut provides a $100 initial deposit and a small savings match, but only if parents (or others) open a 529 account and enroll their child in the CDA program (Clancy & Beverly, 2016). Other states are considering CDA programs, including Vermont, which passed a law creating CDAs in 2015, but has not yet appropriated funds. CSD continues to work with State Treasurers in many of the states. SEED OK research results (see below) have been extraordinarily important in influencing universal state CDA policies.

In addition to these statewide programs, the city of San Francisco has a large CDA program. Every public school kindergartner automatically receives a savings account with a $50 initial deposit. Children who receive free and reduced-price lunch receive an additional $50 deposit (Phillips & Stuhldreher, 2011). St. Louis City recently launched a CDA for all kindergartners in public and charter schools (see Office of Financial Empowerment, n.d.). In late 2016, New York City announced plans to begin an inclusive CDA policy (NYC.gov, 2016.) Other U.S. cities are making similar plans.

In sum, research on CDAs provides more evidence that asset holding changes attitudes and behaviors, even, notably, if people do not “do” anything to receive accounts and deposits. This broad finding makes the observations about achieving full inclusion through automatic features and creating efficiencies by using a centralized platform all the more valuable. There is a substantial body of evidence that asset holding matters, and research on CDAs shows how to extend the benefits of asset holding to all, regardless of socioeconomic status.
Pathways and Potential

It is not possible to predict where this will lead. Advantages of asset building include the following: it is simple and clear, is flexible and adaptable, has multiple positive outcomes, and often enjoys widespread political appeal and acceptance. A considerable disadvantage of current asset-based policy is that it is very regressive. The goal should be a universal, progressive, and lifelong asset-based policy. If every person and household has assets to provide for social protections and invest in future development, this would contribute to improved life chances and reduced inequality, which are core values in social work.

Until recently, it was relatively uncommon to talk about asset holding in poor families. But all families, and especially resource-constrained families, can benefit from holding assets—both to support consumption when income decreases or expenses increase and to take advantage of opportunities to improve well-being over the long-term. A large and growing body of evidence suggests that asset holding improves well-being in a variety of ways—in part by changing people’s outlook. Early evidence from the SEED OK experiment suggest that assets have positive impacts, even if individuals receive asset transfers rather than accumulate assets by personal saving. In other words, the important policy lesson is asset building more than saving behavior.

Given the identified benefits of asset holding, extreme asset inequality in many countries is problematic. The fact that public policies often heavily subsidize asset accumulation in wealthy households while providing little support for—or even penalizing—asset accumulation in poor households is unjust and counterproductive. Better asset policy would support the asset accumulation of all, with extra subsidies and supports for those least able to accumulate assets on their own.

We cannot predict the future of asset-building policies, for which CDAs are a necessary first step. But as we move out of the industrial era, and into a more globalized, information-era economy, it seems likely that social policies will be shifting to address new realities. These realities unfortunately include rising income and asset inequality in most countries. In this context, the emergence of universal, lifelong, and progressive asset building might play a positive role in reducing inequality,
ensuring household stability, and promoting social and economic development for all families. These are social work goals, and we may take some pride in the fact that most of the U.S. and international research on CDAs to date, and much of the policy and program influence, has been led by social workers.

Endnotes

1. To give proper credit, the citations for Sherraden, M.S. refer to Margaret Sherraden. When we are both listed as “Sherraden, M.” I mistakenly get credit for the excellent scholarship of Margaret. It is never the other way around, and that is another important discussion.

2. 529 plans, also known as College Savings Plans, are named after a section of the Internal Revenue Code. These plans offer tax-preferred investment accounts for college savings. Every state has at least one 529 plan. See www.savingforcollege.com.

References


Institutional Structuralism as a Process to Achieve Social Development: Aymara Women's Community Project Based on the Working with People Model in Peru

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Institutional Structuralism draws on different social and economic institutions and seeks to mobilize them through an approach known as “managed pluralism” (Midgley, 2013). It also works as a process to promote social development for everyone. The state should usually play a key role in this process, although this is not always the case. This article analyzes a process which has been ongoing since 2007 promoted by a university institution with the Aymara Women’s Community in Peru to harmonize social welfare with economic development; taking into account the Working with People model through its three components: ethical-social, political-contextual and technical-entrepreneurial. The results show new tools for developing the institutional structuralism process through a bottom-up methodology which enables social development to be achieved.

*Keywords: Institutional structuralism, social development, Aymara women, working with people, Peru*
James Midgley defines social development as “a process of planned change designed to promote the well-being of the population as a whole within the context of a dynamic development process in which social investments and the participation of the population are prioritised” (Midgley, 2013, p. 212). This definition represents a forward step within the wider concept of development. Its definition and key factors for success have experienced an evolution process from the 1950s up to the modern day. In the 1950s, development was understood to be the provision of a series of physical and financial infrastructures which intrinsically generated economic growth and development, which was proved to not necessarily be related to these (Horton, 2004). In the 1970s, this situation subsequently led to the concept being based on achieving aspects more closely linked to social elements and not just economic ones, such as health, education or the population (Sastre, Negrillo, & Hernández-Castellano, 2013). In the following decades, these “micro” focuses were discarded, and attempts were made to achieve development from a macro perspective, this time primarily based on achieving results. Therefore, tools appeared which aimed to provide a solution to poverty through a logical framework and system dynamics (Anand & Sen, 1997).

The critiques of these focuses highlight an excessive rigidity that does not provide solutions to the significant complexity of the different contexts in which responses were sought in order to achieve their development (Cazorla Montero, De los Ríos Carmenado, & Salvo Mendivil, 2004; Chambers, 1997; Friedmann, 2001). As a result of these critiques, some focuses emerged which aimed to achieve development through more flexible and adaptable processes, in which the population’s involvement was fundamental (Cernea, 1991; Friedmann, 1993; Midgley, 1995; Oakley, 1993). This bottom-up focus has entailed greater involvement from the direct beneficiaries of the development projects or plans, with the aim of understanding their needs, concerns or ideas. Therefore, through participative processes, the aim is to create a shared understanding between the population and the institutions charged with promoting development, resulting in discovering how they maintain the link between expert knowledge (technical) and what is experienced (by the population) (Argyris & Schön, 1997; Hulme, 1989). This shared understanding is what directs the development actions, which in turn create new knowledge that is
added to the existing knowledge and leads to decision making. This creates social learning processes which drive development (Friedmann, 1993).

Based on this latest focus, new strategies emerged which have been concentrated on supporting local endogenous processes, by supporting the activities carried out by people in the community and by basing the development strategies on driving businesses (whose aim is to improve their own skills) forward (Berdegue, 2001; Herrán, 2014). Therefore, in recent years a number of microcredit systems and models have flourished. Their purpose is to develop people’s skills, as well as those of the communities who require them, through the possibility of implementing the shared knowledge created within the aforementioned participative processes (Sastre, 2014).

The Role of Microcredit

Microcredit is a tool that has been used to achieve these objectives. The proliferation in the last 20 years of microcredit systems has led to a number of definitions and visions. One of this system’s catalysts (and perhaps its best example) Muhammad Yunus, Nobel Prize Winner and director of Grameen Bank, states that microcredit is a methodological practice in an institution, getting all of the train’s carriages moving, starting the engine in all of these carriages which are normally unused and in a state of ruin (Yunus, 1999). Grameen Bank subsequently created a methodology and an institution for meeting the financial needs of poor people, providing them with reasonable access to credit, and enabling them to take advantage of their existing skills in order to earn greater incomes with each loan cycle (Yunus, 2007).

The key to the success of microcredit programs lies in the financial recovery of these microcredits (Herrán, 2014). This adds the role of a guarantor to the roles of the borrower and lender, as a key factor in its success. Yunus introduced a new type of guarantee in Grameen Bank, which goes further than the traditional mortgage guarantee: a mutual guarantee. Through this mutual guarantee, members or colleagues who form a group or community guarantee the refund or cancellation of the credit, so that if credit is cancelled the group can opt for new credit. If
it is not cancelled, none of the members of the group can receive new credit (Lacalle, 2008).

Without a doubt this alternative for microcredit and mutual guarantee adopted by Grameen Bank and other entities represents a novel alternative for achieving development (predominantly economic) for certain areas. However, relying on this microcredit from institutions whose objectives may or may not be related to achieving social development and whose priorities may be primarily linked to commercial activities, has attracted criticism from social development circles (Midgley, 2013).

Towards Social Development: Institutional Structuralism

With regards to his definition of social development, Midgley (2013) states that different groups and social institutions form a cohesive and committed policy framework with a process for mobilizing power in order to achieve social development. Subsequently, this author states that it is possible to create this type of framework, challenging the popular belief that there are quick solutions. He indicates that social development involves a process called institutional structuralism, which is based on mobilizing different social institutions and associations which represent them in order to implement the social development agenda. However, the question that remains to be answered is which institution, body, community or people are responsible for managing, guiding and enabling this process.

In 1993, Friedmann had already presented the novel concept of the planning entrepreneur. This concept, which Cazorla, De los Ríos Carmenado, and Díaz Puente (2005) built on, defines these entrepreneurs (which can also include institutions) as mobilizers of human and non-human, tangible or intangible and public or private resources, with the aim of promoting a series of actions focused on achieving one or more objectives. These “planning entrepreneurs” can be key in taking action when it comes to guiding and managing this institutional structuralism. This should include institutions which are aligned to the location’s own components and the people who are involved in the development, enabling government institutions to take part, without them needing to be directly responsible for managing the process.
Midgley (2013) argues that the State or other government agencies across different contexts can play an important role in terms of guiding, managing and allowing the planning of the development process, given the institutional strength they can exert in specific countries or regions; that is, the state can take on the role of a “planning entrepreneur,” as Friedmann (1993) would call it. In the European context, for example, we can confirm that the Leader model which was implemented by a government institution (European Union) in 1991 can be an example of this process which continues to be implemented in a successful manner. This process includes different groups who are involved in development through Local Action Groups (Cazorla et al., 2005).

However, there are many socio-political contexts across the world in which the state (at various state, regional or local levels) is not mature enough to guide, manage or enable this continued planning process over time, for a number of reasons: economic, social or political. In the case of Latin America, the government’s timescale is limited. For example, in Peru, where our case study is based, political mandates are limited to four years with no possibility of re-election. This situation, combined with the frequent political instability, means that government commitment is limited by time and the frequent political turbulence. On many occasions, this makes it impossible to continuously lead these processes that require time, bottom-up participative methodologies and persistence with regards to shared objectives in order to achieve reasonable levels of social development. As a result, institutional instability, commitment over time and the ability to provide resources can be key factors when it comes to implementing this planned institutional structuralism which could and should be achieved by mobilizing different institutions and groups, including individuals and communities as well as government institutions (Ambaye Teshale, 2016; Midgley, 2017).

Midgley suggests that the best way for the state to manage these groups and associations, as well as different practical strategies, is through “managed pluralism” (2013, 2016). The importance of being able to govern and include these associations, groups or people (stakeholders) whose objectives are to achieve development, has been dealt with throughout the years in successive models. Amongst these models, the Working with
People (WWP) model stands out due to its emphasis on the “localization” of these “stakeholders” through three components (political-contextual, ethical-social and technical-entrepreneurial) which should interact in order to achieve social learning processes (Cazorla, De los Ríos, & Salvo, 2013; De los Ríos, Rivera, & García, 2016). This forms the basis of managed pluralism, which leads the way to achieving social development (De Nicolás, 2016). This model is also focused on people, respecting their rights, traditions and cultural identity; guaranteeing social well-being and social development from an endogenous and integrated perspective (Cazorla et al., 2013).

This article analyzes the social development process carried out by a research group from the “Universidad Politécnica de Madrid” (UPM) (a stable institution with a long-term commitment) in 2007 with the “Comunidad de Mujeres Aymaras” in Peru. Its purpose was to balance social well-being with economic development based on the Working with People metamodel (Cazorla et al., 2013) and its three components (technical-entrepreneurial, political-contextual and ethical-social). The use of this metamodel promotes institutional structuralism, with its cornerstone of supporting the creation of social learning processes. These processes lead to managed pluralism, which is manifested in the development of skills amongst the community (Sastre, Vidueira, Díaz-Puente, & Fernández-Moral, 2015) through a series of factors which are summarized as follows:

a) Raising awareness amongst the community so that they take ownership for the process as well as their own development;

b) Shared evolution process from a social-community type structure to an economic-commercial structure, without losing its fundamental social values;

c) Novel management of revolving funds which are managed by the community itself as a key factor in adding value to production—in this case, traditional crafts;

d) The role carried out by the Universidad Politécnica de Madrid UPM through the Gesplan Group as a “planning entrepreneur during the process”.

The results that were achieved provide institutional structuralism with new tools developed through the WWP
methodology which invigorate the process in order to achieve social development from a non-state institution.

The Working With People Metamodel and Its Links to Institutional Structuralism

The WWP metamodel created by Cazorla is based around four principles and fundamental values. The first is based on the respect for and primacy of the people, given that they are responsible for their own development. The second refers to guaranteeing social well-being and social development so that all of the process’ efforts should be aligned. This ensures that the needs of the population who are involved in the process are met, in terms of these principles. The third is a bottom-up focus with the aim of guaranteeing that the development process becomes the responsibility of the population which is being developed. Lastly, the fourth one involves an endogenous and integrated focus.

In addition to the principles above, the metamodel encapsulates the three previously mentioned components (political-contextual, ethical-social and technical-entrepreneurial). These three components combine the four areas of the social-relation system (the political environment, public administration, business environment and civil society). Figure 1 shows a summary of the metamodel and is followed by a description of each of the three components.

![Figure 1. Working With People (WWP)](image-url)
Ethical-social component

This component covers the attitudes and values of the people who promote and manage the process (Cazorla et al., 2013). This component is therefore the one in which the institute that is guiding the process is based. The fact that said institution is situated in this component has a special meaning. On one hand, all institutions that try to start a development process should be aligned with the values of those people on which the process is based; on the other hand, the fact that the word “ethical” is added determines this institution’s actions so that they are focused on a solid and sincere commitment to the people and not for their own good.

The state can take on this component, and as stated by Midgley (2013), in certain contexts it can be the appropriate institution for carrying out the social development processes. However, it is necessary for the state to assume a solid, sincere, ethical and long-term commitment. These characteristics linked to this component are acceptable for many states in developing countries, but there are also many countries in which the states (for various reasons) do not have the required characteristics of this component. This makes way for other institutions to take responsibility for starting the process, but only those that have (or are seriously open to having) the proposed characteristics and are reliable when it comes to managing the process. In many cases, NGOs that assume this component with great enthusiasm lack continuity in terms of their commitment and end up abandoning this effort before achieving institutional structuralism within the community so that they “can have their own development.”

Political-contextual component

This component provides the project with the key elements required for it to be implemented in the context where the process will be carried out. It is necessary to locate and mobilize the organizations, institutions or people from the area in which the process will take place. The nature of these organizations, institutions or people can be public and/or private and it is necessary for their involvement in the process to be voluntary and for them to be committed. Government groups, municipalities and associations can have the characteristics of this component.
Based on this component, the process is contextualized and adapted to the circumstantial realities of the territory and the people, who provide contextual and political validation/approval for the actions that take place. In the same way that the technical-entrepreneurial component offers certainty in that the projects carried out during the process can be technically and commercially viable, the political-contextual component adds a contextual value to these actions that can be carried out here and now.

**Technical-entrepreneurial component**

This provides the process with technical and economic consistency. The institutions that represent this component should guarantee the existence of funding in order to implement and continue the process and should also ensure the technical and economic viability of the processes which are carried out during the social development process.

In the case of this component, there can be different institutions with different roles which assume the characteristics required by it. If the process is initiated by the State, it can act within this component by funding the process. This component also includes different people and public or private institutions which act with the objective of ensuring and evaluating the feasibility of the projects, both technically and commercially.

This metamodel is aligned to and promotes the model for institutional structuralism proposed by James Midgley (2013). In addition to providing structure to the process, not only does it enable the “detection” of which groups, institutions, organizations or people (stakeholders) can be involved in it, but it also contextualizes what the role of each of these is. Based on this point, and once institutional structuralism is proposed, Working with People adds a fourth component which is interrelated with the other three: social learning.

Through social learning processes, the stakeholders involved in the process (who are in similar positions of power) start creating new knowledge which, in addition to enriching the process, also provides the stakeholders with new elements and characteristics. As a result, their role is not stagnant and evolves throughout the process. This situation drives managed pluralism, which has a direct impact on the institution, agent
or people involved in the social development. This leads to an increase in their skills, which in turn encourages them to start taking ownership and responsibility for their own development rather than simply being included for the sake of it; unfortunately this is often the case when there is more good will than efficiency present (Cazorla, 2017; Sastre, 2014).

The Coordinator of Aymara Women and the Start of the Social Learning Process

This section will describe the context of the action area and explain the experiences from the development process which has been carried out with the Coordinator of Aymara Women using the WWP model. This experience incorporated and expanded on the previously developed elements through other development processes implemented by the UPM in Argentina, Mexico, Ecuador and Peru itself (Cazorla et al., 2005; Fernández, De los Ríos Carmenado, & González, 2017; Herrán, 2014; Vivar, Barrera, Coronel, & De los Ríos, 2008; Yagüe, Montes, & Morales, 2013; Yagüe, Salvo, Prain, & Gonzales, 2009). Therefore, the work with the Aymara women is not fixed and/or isolated; rather, it can be described as a “living laboratory” which brings together the work carried out over more than 30 years across different cultural and economic contexts.

Context of the action area

The process is located in the state of Puno (Peru), which is on the coastal area of Lake Titicaca in Peru. The state of Puno covers an area of approximately 72,000 square kilometers and has a population of approximately 1,300,000 inhabitants, which represents a population density of 18 inhabitants per square meter. With regards to politics, the state of Puno has five seats in the national assembly and has 40 municipal governments. The elections, as is the case in the rest of Peru, take place every five years with no option for re-election. This without a doubt determines the continuity and stability of the actions carried out by public bodies. Three languages are spoken in the state of Puno: Spanish, Quechua and Aymara. The Aymara population is located to the south of the state towards the coast of Lake Titicaca, at an average altitude of 3,818 meters above sea level (INEI, 2015).
The Aymara population primarily works in agriculture and livestock. In terms of agriculture, quinoa crops are particularly important. With regards to livestock, this primarily involves alpacas. This alpaca wool is one of the most highly sought after for its quality, feel and warmth, making this livestock one of the economic pillars of the region. The region’s economy is primarily based on agriculture and is impacted by inclement weather due to the altitude. The Aymara population’s average monthly income is approximately 300 soles (92 USD) per month. Due to historic and cultural reasons, the Aymara people have very specific traits which differentiate them from other ethnicities. In terms of these traits, the following characteristics can be highlighted (Llanque, 1990): sense of community, solidarity, pride, work ethic, family, dignity, generosity, celebratory spirit, religiousness, and a love for their people and Aymara language. These characteristics have an influence on the Aymara people, giving them some specific attributes which should be taken into account when initiating work processes with their people.

The Coordinator of Aymara Women

The Coordinator of Aymara Women (CMA) was formed in 1982 under the name “Coordinación Pastoral de Mujeres de la Prelatura de Juli” (CPM). The creation of this institution was promoted by a religious group from the Juli Prelature (Peru) as a way of finding a solution to the abuse problem and general issues faced by the Aymara women from this region. When it was created, the institution was supported by various religious orders which aimed to achieve changes in society and the culture in which they lived. In the 1990s the original CPM started to form relationships with other external institutions in order to train its members in different activities relating to production, agriculture, crafts and human rights. It is during this time that the first activities relating to weaving, natural medicines and leadership took place. These activities were supported financially by the members of the CPM as well as different institutions, amongst which the Juli Prelature, Koch Foundation and Maryknoll Society stand out.

In 2006, various researchers from the UPM who were carrying out projects in adjacent areas received a call from the Juli Prelature in which they were told about the CPM. This
first contact is the catalyst for a series of visits and preliminary workshops, culminating in the initiation of a social development process following the legal establishment of the CPM under the name “Coordinator of Aymara Women” (CMA).

Figure 2. Timeline of the Coordinator of Aymara Women Project

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>Creation of the CPM promoted by Juli Prelature</td>
</tr>
<tr>
<td>1990</td>
<td>Initiation of weaving activity</td>
</tr>
<tr>
<td>2007</td>
<td>UPM involvement Legal establishment of the CMA</td>
</tr>
</tbody>
</table>

Figure 3. Location of the intervention area
The CMA is spread across three geographic areas (north, south and central) which includes more than 400 women (50% from the north area, 32% from the south area and 18% from the central area) organized through 22 groups spread across six districts within the three geographic areas (Figure 3). Each of these groups has a president and a secretary, and belongs to one of the three geographic areas, which also have their own zone leader. Lastly, the organization has an executive committee comprising of six women which are elected every two years.

The start of the process through WWP

In 2007, following a series of field visits, a process was started with the aim of working with people in order to achieve social development within the CMA. This process was initiated, managed and led by an established and stable organization which is highly committed in the long-term to effectively complete the process: this organization is the UPM through the Gesplan Group. The UPM acted as a “planning entrepreneur,” mobilizing resources and groups, people and institutions with the aim of implementing and accelerating the process. Proof of this lies in its drive to obtain the initial financial resources, which were provided by the local government of Madrid during a two-year process.

Once this initial funding was obtained, the first contact was made with the aim of locating the key stakeholders who cover, as far as possible, the three components of the Working with People model. The UPM used the ethical-social component to guide and manage this process, taking into account the CMA’s principles and values. Thanks to its knowledge of the development context, the institution’s directives covered the appropriate elements of the political-contextual component. It was the experts mobilized by the UPM who facilitated the elements corresponding to the technical-entrepreneurial component which also included the women from the CMA as an active part of the process. Based on these main stakeholders (Table 1), the first workshops took place with the aim of mobilizing and energizing the process.
These initial workshops were designed based on the “empowerment evaluation” methodology (Fetterman, 2001) in order to include people’s opinions and evaluate the development processes that had previously taken place in the region, identify the reasons for which these processes were unsuccessful and identify possible actions that could be taken. Following various workshops, a set of actions was identified in terms of supporting textile crafts in the countryside, given the easy access to one of the most highly sought after wools with the highest level of added value in the world: alpaca wool. This course of action set by the CMA, which was analyzed by the experts and entrepreneurs and supported by the UPM, is still in place today and represents a fundamental aspect of the process. Once this course of action was designed, social learning processes were created resulting in managed pluralism as a way of governing the process. These social learning processes have led to a number of different actions with the aim of achieving continuous improvement during the process. Developing new actions and involving new approved stakeholders was essential.

### Analysis of the Process

After nine years of working with the CMA, we can highlight a series of elements which are unique to this process compared to others that have been started (references from the Gesplan projects): awareness amongst the community so they can take

<table>
<thead>
<tr>
<th>Institution</th>
<th>Ethical-social Component</th>
<th>Political-contextual Component</th>
<th>Technical-entrepreneurial Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gesplan-UPM</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMA</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Experts UPM</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women CMA</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers in cells are estimated by the authors using the Likert Scale, where 0 = very low; 4 = very high.
ownership of their own development; shared evolution process from a community structure to an economic-commercial structure; a new way of managing revolving funds; and the role of the UPM as a planning entrepreneur. These elements lead to an evolution in the CMA’s role which is analyzed through the WWP components.

**Advocates of the process**

The involvement of the CMA from the start of the process, as well as its leading role in terms of decision making, has reinforced the perception that they were the leaders of the process. Throughout the process, the aim has been to take their opinions into account; evaluating, arguing and approving or rejecting them in an agreed upon manner. In addition to the development of the process, and the flexibility and commitment the UPM has shown the community, we can highlight three aspects that we consider to be fundamental when it comes to evaluating this perception: needs-based training; access to the market and choosing their collections; and national and international recognition of the process.

*Needs-based training.* As textiles are the main industry in the process, the women from the CMA observed how, despite being highly skilled in sewing (due to training received before the start of the process), it was necessary to strengthen and improve these skills. This situation made it necessary to incorporate new stakeholders (textile instructors) in the training process (technical-entrepreneurial component). The workshops carried out by the trainers included the leaders of the group, who in turn were able to train the other women in the community. They were encouraged to become an active part of the process, which reinforced their (true) perception that they were the real protagonists of the process (Sastre, 2014).

*Access to the market and choosing their collections.* One of the concerns at the start of the process was the need to find a gap in the textile industry. The designs that were used by the CMA members at the start of the process had a distinct Andean flavor which considerably limited their target market, despite being made with very high quality wool such as alpaca and baby alpaca. From that moment, the guide institution (the UPM) suggested that they could make garments with new designs and a
fusion style, to appeal to a broader market. A decision was made to involve a fashion design team, which meant a new stakeholder in the process (technical-entrepreneurial component). The selection of designs proposed by the design team was carried out by the CMA, which (in conjunction with the UPM) proposed the creation of annual catalogues to promote their creations.

National and international recognition of the process. The fashion shows to present the new collections were key in terms of raising awareness of the process. In the first years, an annual show took place in Lima; later the field was widened to include new shows in Madrid and Murcia. The success of these shows in terms of exposure and sales was a turning point for the process. It is important to mention that the role of the UPM in guiding the process (as well as other stakeholders involved) was essential for the success of these activities as a result of the marketing and relationships between these.

Towards a structure with an economic-commercial nature

The CMA has a community characteristic based on some principles and objectives linked to the context and the idiosyncrasies of the Aymara woman. In recent years, a more economic and commercial nature has been added to the original characteristic. This change has in part been the result of the direction taken in the process, which has not only required the women to be trained in textile art, but also required a change in mentality and character, which enriches the institution without forgetting its roots.

From the start of the process, the management of money from the sales and benefits received from these has been the responsibility of the CMA itself, under the supervision of experts from the UPM. This situation has been one of the main factors which has led to this new economic-commercial characteristic and has also involved them as an active part of the management process (ethical-social component). Proof of this new characteristic is the CMA being awarded entrepreneurial institution of the year in the 2016 “Telefónica Perú” awards, in a contest in which over 100 Peruvian institutions and entrepreneurs took part (El Correo, 2016). This award has reaffirmed a change in direction of the elements the CMA contributes to the process and which can be analyzed through the WWP. Even though the
CMA was involved in the development process at one point, primarily providing the elements of the political-contextual component, it has gradually acquired elements from the technical-entrepreneurial component itself (as a result of improvements in the quality of fabric and commercial management skills). This component is shared with other stakeholders, amongst which the experts provided by the UPM as support stand out.

Management of revolving funds

The need to create a revolving fund in order to provide funds for purchasing wool for use in craft products emerged in 2009. The fund created by the UPM with some of the resources that were used to initiate the project, is initially managed through a “mutual guarantee.” This is similar to what was established by the Grameen Bank, although in 2011 this type of management changed in light of the need to revitalize the fund in response to increasing demand. The CMA therefore took control of the fund themselves, taking on all the responsibility, and thus enabling their handicrafts to be a central part of their work. This new form of management has provided results, and there are currently 32 loans, of which none have been lost.

The unique aspects of this fund can be explained by the nature of microcredit’s and the institution’s commitment to strengthening the process, as explained here:

a) The nature of microcredits. As they are intended to provide the weavers with material (wool) for their garments, once the garments are made they become a form of guarantee. In addition, as the CMA and the experts from the UPM are the connections between the supply of material, this ensures the money lent is used correctly.

b) The institution’s commitment to strengthening the process. The CMA is a well-established institution, which has been operating for more than 30 years under various names. As a result, the institution’s commitment further reinforces the guarantee that said fund will be used to take the process forward.
This revolving fund management has provided the CMA with management elements during the process. These elements can be analyzed from the perspective of the WWP within the ethical-social component.

The role of the guide institution (UPM) in the process

The guiding role of the UPM in the process has been critical throughout the years. The UPM has acted as a “planning entrepreneur” at all times, mobilizing stakeholders and funding the process through various stages. First, the Government of Madrid provided a small amount of funding which ended in 2011. The Community of Madrid replaced this and funded the process until 2013, when funding was secured from the Government of Asturias for one year. From this point onwards, the process has been funded by private entities who were surprised by the characteristics of the process and therefore decided to become involved in it (pro bono), covering the costs of the experts who were deployed to provide their technical expertise to the process.

Based on the above, it is evident that the success of this process, to a great extent, lies in the commitment of the “leader” institution to mobilize institutional structuralism. As stated by James Midgley (2013), social development requires adequate time based on the needs of each territory. This means that the institution guiding the process should be stable over time; this process would not have resulted in anything if the UPM had disappeared half way through the process. However, not only must the institution to be stable over time, the objectives which drive the institution must also remain stable over time. This is a key point with regards to this topic, as the stability of the institution and its objectives can never be less than the time required for the process, as it would end up being incomplete and inconsistent.

Evolution of the CMA’s characteristics based on the WWP components

As previously analyzed, the CMA has evolved and has acquired elements which it did not have at the start of the process. If we analyze this premise on the basis of the Working with
People components, we can observe how the CMA has been increasing its role throughout the process and improving its capabilities (Negrillo Deza, Yagüe Blanco, Hernández Castellano, & Sagua Vilca, 2011; Sastre, 2014; Sastre et al., 2015). The following table summarizes the previous analysis and demonstrates the evolution of the different stakeholders, as well as how the CMA has evolved from the start of the process, by analyzing an intermediary stage (in 2012) and the current situation.

The improvements in the CMA’s capabilities and evolution of its leading role shown through the WWP (Table 2), reinforces how this institution has been transforming itself. This has enabled social development, which has resulted in a (real) perception that they themselves are the protagonists of their development and well-being.

Table 2. Level of affinity amongst the principals participating institutions from the UPM involvement (2007) in relation to the WWP components.

<table>
<thead>
<tr>
<th>Institution</th>
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<th>Political-contextual Component</th>
<th>Technical-entrepreneurial Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gesplan-UPM</td>
<td>4  4  4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMA</td>
<td>1  2  3</td>
<td>3  3  4</td>
<td>0  2  3</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>0  1  1</td>
<td></td>
</tr>
<tr>
<td>Experts UPM</td>
<td></td>
<td></td>
<td>4  4  4</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td></td>
<td></td>
<td>0  0  2</td>
</tr>
<tr>
<td>Design/Capacity Team</td>
<td></td>
<td></td>
<td>0  3  3</td>
</tr>
<tr>
<td>Women CMA</td>
<td></td>
<td>2  4  4</td>
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</tbody>
</table>

Note: Numbers in cells are estimated by the authors using the Likert Scale, where 0 = very low; 4 = very high.
Final Considerations

The institution which enables, leads and manages the social development process should be an institution that is committed and established, and one which incorporates the ethical-social component of the process and acts as a “planning entrepreneur,” mobilizing stakeholders and resources. In certain contexts, the State can take on this role, but in other cases, where for whatever reasons the State does not have these characteristics, any institution which does have them can act as a catalyst for said institutional structuralism.

Based on the case analyzed, it can be seen how institutional structuralism can use the WWP participative metamodel when it comes to motivating and mobilizing stakeholders. The social learning processes facilitate managed pluralism, which is supported by the three components of the WWP metamodel. The success of the process also lies in the willingness of the institution or people involved in it to participate and take the process forward. In this case, a large part of the process’ success is due to the CMA’s commitment and stability.

The evolution of the mobilized institution’s elements, through Working with People, can vary throughout the process. Natural evolution is able to provide greater advocacy and strengthen the capabilities of these institutions, people or groups who are impacted by the social development process. It is this evolution that drives the reaffirmation that what is produced as a result of the process is social development.

Endnotes

1. Since 2005, the UPM has brought together a dynamic structure of research groups as a cornerstone of the Research University concept. One of these is the Gesplan Group, which has been tasked with carrying out this process.
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Social Protection in Africa: Beyond Safety Nets?

Leila Patel
University of Johannesburg

Social protection is one of the most recent, yet fastest growing social policy instruments in low and middle income countries to end poverty. At least 50 countries in Africa have non-contributory social protection programmes targeting poor and vulnerable households and individuals. Are these social policies an extension of residual social policies, or do they signal new directions in social policy in the Global South? This article reviews the theoretical approaches that inform social protection policies as well as their practical application in different African countries. The analysis suggest that there is a changing trend towards more expansive social investment-oriented poverty reduction policies, especially in middle-income countries, with more limited policies in low-income countries. Despite significant challenges, these developments have the potential to grow welfare institutions that are more appropriate, responsive to the needs of people, and that could further a developmentally-oriented and justice-based notion of social protection. There is much to learn from how African countries are tackling the social challenges of poverty and inequality and how these are shaping their welfare institutions and regimes.

Keywords: Social investments; social protection; social development; new directions in social welfare; social protection in Africa; safety nets; social policy
Social protection is one of the fastest-growing social development interventions to reduce poverty in low- and middle-income countries such as Brazil, India, China and South Africa (Midgley & Piachaud, 2013). Similar developments are occurring in other African countries that have non-contributory cash transfers and in-kind social protection programs targeting poor and vulnerable households and individuals (Honorati, Gentilini, & Yemtsov, 2015; Plagerson & Patel, 2016). Are these social policies simply an extension of the residual or “safety nets” approach to social welfare advocated by multi-lateral international development organizations, or does it take us further along the road to understanding new directions in social welfare in the Global South? (Barrientos, 2013; Ferguson, 2015; Plagerson & Patel, 2016; UNRISD, 2013). Scholars from different disciplines such as economics, social policy and political science are exploring this question, often independently. However, this body of knowledge has paid limited attention to the literature from the perspective of social welfare policy and development scholars who have consistently argued that Northern welfare theories are limited in understanding the direction that social welfare is taking in the Global South (Hall & Midgley, 2004; Midgley & Tang, 2001; Patel, 2015; Surrender & Walker, 2013). To answer the question posed above, an analysis is conducted of social protection policies in Africa based on both published literature and research reports.

This article begins by reviewing the literature on social welfare theory and practice in development contexts with particular reference to developmental social welfare and social protection. James Midgley has, over a long career, left a substantial body of knowledge of social welfare in development contexts. Two seminal books, Social Development: The Developmental Perspective in Social Welfare (1995) and a later work titled Social Development: Theory and Practice (2014) provide a sound basis for understanding the approach and its theoretical and normative underpinnings.

The diffusion of social development theory and policies around the world was facilitated by both country-specific conditions and the social challenges that they face, as well as the receptiveness of international agencies to support the growth of social protection in the South (Surrender & Walker, 2013; UNDP & ILO, 2011). The social development approach to social
welfare advocated by Midgley and others in various published works informed thinking and adaptation in different contexts. The approach is now accepted as the over-arching approach to inform social work education internationally (IASSW, 2014). This theoretical work is often overlooked by scholars outside the field of social welfare who are attempting to make sense of social welfare arrangements and social protection policies. It is possibly because they approach these questions from different disciplines. The intention here is to “bring back in” the social development approach with its focus on social investments and integrated social and economic development into our understanding of the new directions in social welfare in the South.

In part two, the emerging social protection programs in Africa are reviewed with reference to their drivers, nature and scope, goals, strategies, auspices, evidence of their impacts and some of the issues and debates. Next, the question is considered as to whether these programs are an extension of the residual approach to social welfare policies reminiscent of colonial welfare policies and the rise of neo-liberal ideas in the 1980s to the mid-1990s. Alternatively, one can ask whether these are a reflection of new directions in social welfare in the Global South with the potential to promote inclusive economic and social development. Finally, some conclusions are drawn about the implications of these new directions in social policy for welfare institutions and regimes in developing countries.

Social Welfare and Social Protection
in Development Contexts

British and other European colonialists established formal public social welfare provision in most African countries. Initially, social welfare was the domain of the extended family and communal systems of support such as mutual aid and subsistence agriculture. Women were the main and direct providers of social care of vulnerable persons in their kinship group. Indigenous safety nets such as the chief’s granary (contributions of grain by farmers known as Zunde raMambo) existed in Zimbabwe and in many Southern African countries. Colonial rulers were primarily concerned with the extraction of natural resources in these countries to support industrial development in
their home countries. This was achieved through political control of indigenous populations that paved the way for distorted and unequal economic development—a process that resulted in the undermining of indigenous systems of social provision and care (Patel, Kaseke, & Midgley, 2012). Rising social problems resulting from unequal development further resulted in large-scale disruption of social and family life caused by migration, leading to labor scarcity in rural agriculture, hut and poll taxes, urbanization and increased vulnerability among specific target groups such as children. To address these emerging social problems, formal state social welfare services such as statutory child protection services, residential care for children and social security in the form of non-contributory social assistance for the elderly emerged in some African countries (MacPherson & Midgley, 1987). Early social policies were not only remedial but also minimalist in terms of state provision. There was an over reliance on treatment-oriented social interventions that were inappropriate in the local context, costly, and that had low social impacts.

MacPherson (1982) applied the development-underdevelopment thesis of international structuralism to make sense of the direction of social welfare provision in third world countries. The rise of social work as the principal profession in social welfare in the former colonies was influenced by modernization theories of development based on the primacy of economic growth, and the assumption that poor countries would catch up with their northern counterparts. The character of social work in African countries followed largely British and American social work education that was wholly inappropriate in addressing problems of mass poverty, inequality and underdevelopment. In his bold book on Professional Imperialism: Social Work in the Third World, Midgley (1981) drew attention to this phenomenon and the need for a more pragmatic and appropriate development-oriented social work practice (and by implication, social welfare policies).

Further analyses of social welfare in Africa refer to post-independence social welfare arrangements. Although there were continuities with past residual welfare policies, new opportunities emerged in the early years as post-colonial governments engaged with development questions through state planning and interventions as part of their nation building projects. In
the new search for solutions, many countries attempted to transcend existing remedial social welfare and social work services through more expansive social interventions that incorporated a traditional concern with meeting the needs of vulnerable groups. These included first, social policies and programs that promoted human capital development through mass basic education and literacy programs, public health and primary health care. Second, social integration—for example, community development, participation in community development, and economic inclusion through state subsidies for staple foods, employment programs and social assistance, also known today as cash transfers. These initiatives were what Midgley (1995, p. 54) referred to as early ideas of “developmental social welfare, thereby challenging the notion that economic growth by itself will improve human well-being.” Similarly, Patel (1992) documented the development initiatives of opposition movements in South Africa, showing how the latter informed developmental thinking in social welfare policy options in South Africa (Patel, 1992, 2015). In later work, Midgley and Sherraden (2000) argue that these developments constitute an alternative approach to social welfare that transcends residual and institutional or welfare state policies of the northern welfare states in the following ways.

First, developmental welfare interventions are framed as social investments in human capital development, rather than wasteful consumption expenditure, as argued by the critics of state welfare provision. Second, policies are needed to facilitate participation in the productive economy, which is the primary means through which people meet their needs. Third, social development needs to be accompanied by macro-economic and social policies and public social spending in line with national social priorities. Fourth, government interventions need to be combined with individual and community actions to promote economic development through maximizing people's income through social assistance, strengthening of the livelihood strategies of people, asset building and social interventions that are inclusive and equitable (Midgely & Sherraden, 2000, p. 438; Sherraden, 1991). These views are echoed by other African social policy scholars who argued for a shift from “safety nets” as a corrective to policy and market failures, and stated that “social policies need to work in tandem with economic policy to ensure equitable and socially sustainable development”
How best to achieve this was, and remains, a key challenge for African nations in the early years of the new millennium. Against this background, “developmentalist” thinkers in the South advocated interventions such as social protection, public employment, livelihoods strategies, micro-enterprises and micro-finance.

These ideas were challenged in the mid-1990s by radical conservative governments in the North, particularly in the U.S. and the U.K., which set the scene for the rise of “anti-welfareist” thinking. Neo-liberal policies gained ascendency, leading to the diffusion of these ideas advocated by multilateral, international and donor agencies. Its basic tenets involved the “rolling back” of state social welfare, privatization and liberalization of the economies as solutions in both the North and the South. Social welfare policies were conceived of by the proponents of neo-liberalism as a drain on national resources, arguing that these needed to be redirected to economic investments (Mkandawire, 2004). Post-independence African countries that were debt-ridden, faced with low economic growth rates, and poor and inadequate governance, were severely impacted by structural adjustment policies of The World Bank and the International Monetary Fund during this period. The latter’s policies attached severe constraints on public expenditure, promoted the privatization of health and education and the resurgence of residual social policies with an over-reliance on families and non-governmental organizations (Surrender & Walker, 2013). These policies were supposed to stimulate economic growth, but by the mid-1990s, it was clear that economic recovery was negligible with limited social improvement. Instead, it had disastrous effects on human development in many African countries (Mkandawire, 2004).

In this context, the tide began to shift again towards more developmental social policies and their potential to promote social transformation (Devereux & Sabates-Wheeler, 2004). In this regard, Surrender and Walker (2013) argue that the policy philosophy changed as the World Bank and other development agencies began to replace structural adjustment with the language of “pro-poor” and “transformative development” (Surrender & Walker, 2013). Thus new spaces opened for policy learning, advocacy by civil society organizations and some donors for greater innovation and equitable development in a
globalizing world. This was also spurred on by large-scale epochal political and economic changes in many developing and former socialist countries in the 1980s and 1990s due to globalization, but also economic crisis, market reforms, and democratization accompanied by social dislocation in Latin America, East Asia and Eastern Europe (Haggard & Kaufman, 2008). Developments in South Africa leading to a peaceful settlement and the welfare commitments of the new democratic society also had a bearing on the expansion of social protection in South Africa, and especially in the southern Africa region (Ferguson, 2015). The constitutional right to social security and social assistance was institutionalized with the adoption of South Africa’s Constitution and Bill of Rights of 1996. Developmental welfare strategies were fashioned on social development ideas and socio-economic rights that are now integral to the country’s social and economic development plans (Patel, 2015; Republic of South Africa, 2011).

The success of social protection programs, with their positive developmental impacts in South Africa and in other African countries in reducing poverty, forms part of a bigger picture of the exponential growth of social protection policies, especially cash transfers, and their positive outcomes in the developing world (Barrientos, 2013; Hanlon, Barrientos, & Hulme, 2010). This also occurred because of the diffusion of ideas, knowledge, experience and policy learning between countries in the South. These ideas are continuing to be facilitated in different ways by academics, practitioners, and regional networks such as the Southern African Social Protection Experts Network (SASPEN) (2017). In addition, international agencies are playing an important role in promoting South-South and North-South exchanges, such as the knowledge exchange by researchers and policy makers from 16 countries on successful social protection floor experiences (UNDP & ILO, 2011).

Social Protection Strategies in Africa

What are the Drivers of Social Protection in Africa?

Different factors appear to have driven the introduction of social protection in Africa over the past 15 years. Social protection emerged in some countries that have improved macro-economic
conditions, as is the case in Ghana, Kenya, Ivory Coast, Rwanda, Senegal and Morocco. In these countries, economic growth ranged between 2 and 9 percent in 2016, although it is occurring off a low base (World Bank, 2016). Democratization and improvements in governance have been noted in some countries that have grown their social protection systems such as South Africa and Namibia, Botswana, and Mauritius. These countries also have a longer tradition of social protection as former British colonies. However, smaller, low income countries with low rates of economic growth are also pursuing social protection strategies such as Lesotho, Swaziland, Mozambique, Cape Verde and some island states (World Bank, 2016). The adoption of social protection strategies are not the domain of democratic regimes only. Countries that are authoritarian regimes, such as the Ivory Coast, are also adopting social protection programs. Similarly, countries that have “hybrid political systems” according to the Democracy Index of 2015 (The Economist Intelligence Unit, 2015), also have growing social protection systems such as Rwanda, Kenya, Nigeria and Morocco. “Hybrid systems” refer to democracies with substantial irregularities in the management of their elections which prevent them from being free and fair.

The historical trajectories of social protection vary across African countries and regions. In southern Africa and some east African countries such as Kenya, tax-funded social protection systems have their roots in colonial systems linked to formal labor markets, while in North Africa, donor-funded social assistance has increased following the Arab Spring uprising in 2011. Of particular significance is the influence of global and African social development agendas favoring social protection, some of which was influenced by the growing evidence from different parts of the world about social protections’ benefits in reducing poverty. The focus on poverty reduction as a key global goal and as part of the United Nations Millennium Development Goals and the new Sustainable Development Goals 2030, contributed to speeding up the adoption of social protection as a policy instrument.

Nevertheless, what is noteworthy is the development of a pan-African consensus about the need for social protection since 2000. This is reflected in various documents adopted by the African Union. These are: The Constitutive Act of the African Union of 2000; the Ouagadougou Declaration and Plan of
Action of 2004; the Livingstone Call for Action that prioritised social protection in 2006, The Social Policy Framework for Africa 2008 and the Social Ministers’ Khartoum Declaration on Social Policy Action towards Social Inclusion of 2010 (Plagerson & Patel, 2016). A global and national receptiveness favoring social protection paved the way for policy innovation and donor funding for social protection in Africa, which is outlined below. However, the realities of human insecurity and persistently high rates of poverty and unemployment and the impact of economic crises of various kinds—political conflict, vulnerability to food insecurity, climate change and high rates of HIV and AIDS—remain critical contextual drivers of the need for social protection in Africa.

Health challenges prevail amidst weakening systems of family and community support, such as maternal and child mortality and other social challenges, such as low attendance of girls in school and large numbers of children orphaned due to the AIDS epidemic. Crises related to food, fuel, financial and health challenges have deepened poverty levels and weakened family support. Reduced remittance flows from migrants have also resulted in increased vulnerability of children and families. Household risk mitigation strategies include reducing nutritional intake, migration and the sale of household assets (Dafuleya, 2017). These measures have contributed to deepening poverty and vulnerability (Plagerson & Patel, 2016). Climate change and the threat of droughts and flooding pose further threats to household livelihoods. It is against this backdrop of declining human development realities that many African countries have experimented with innovative social protection programs, in particular, non-contributory social assistance in the form of cash transfers.

Nature and scope. The term “social protection” is used differently across African countries. A diversity of strategies exist, such as statutory and public provision, also cash transfers. Others incorporate informal family and community systems of support; the delivery by non-governmental organizations funded by international donors; and fee exemptions and contributory insurance schemes. For this reason, Midgley (2013, p. 7) contends that the term is used as an “umbrella” concept to refer to a wide range of forms of social provision, and that social protection’s concern with “non-statutory provision is compatible with social...
development’s historical interest in community-based interventions.” Based on their research in the African context, Devereux and Sabates-Wheeler (2004) define it as measures to provide income or consumption transfers to protect poor and vulnerable individuals and their households against livelihood risks and to enhance their social status and rights with the overall objective of reducing their economic and social vulnerability.

There has been an astounding growth of social protection programs in Africa in the past fifteen years. Over 50 low and middle-income countries in Africa now have social protection programs (Cirillo & Tebaldi, 2016; European University Institute, 2010) reaching significant numbers of beneficiaries and their households. For instance, in South Africa, non-contributory, publicly-funded cash transfers for older persons, people with disabilities and children reached 17 million people in 2017, a third of the population, making up 3.4 percent of GDP. This has inspired strategies in other parts of Africa, such as child grants for children in Kenya, Zambia and Malawi (Handa, Devereux, & Webb, 2011). Although Ethiopia’s Productive Safety Nets Programme (PSNP) has different design features, in that it incorporates an employment component targeting labor constrained households, the PSNP reaches 10 million beneficiaries and is Africa’s second largest program. Madagascar, Mali, Mauritania, and Niger have followed the Ethiopian example, combining cash transfers with public works programs (Honorati et al., 2015). Smaller countries (Botswana, Lesotho, Namibia, and Swaziland) and the island states (Mauritius and Seychelles) have expanded their programs to be more broadly targeted. The newly established democracies, such as South Africa, reconfigured existing programs to be more inclusive through constitutionally guaranteed and legislated social rights (Plagerson & Patel, 2016). Some countries are reforming existing schemes, such as pensions, to be more inclusive (Cape Verde, Nigeria, Sierra Leone and Zambia), while others are reforming their health systems to be universal (Benin, Burkina Faso, Côte d’Ivoire, Gabon, Mali, Senegal and Tanzania) (European University Institute, 2010). Programs are being redesigned based on country-specific needs that build on the successes or lessons of other African countries (UNDP & ILO, 2011).

Reforms of subsidy-dependent systems have also been initiated in favor of cash transfers in North African countries faced
with high rates of inequality and political turmoil (Devereux, 2015). A wide range of countries are reforming their social legislation and incorporating social protection in their national development plans or agenda, such as Burkina Faso, Ghana, Kenya, Lesotho, Mozambique, Rwanda, Sierra Leone, Tunisia and Uganda, among others. And, unlike conditional cash transfers in Latin America, African countries have opted for far less conditions attached to receipt of cash, such as incentivizing school attendance and health checks for children (Ferguson, 2015).

Alongside legislative developments have been the establishment of formal welfare institutions to deliver social protection that did not exist previously. Innovative technology enabled solutions to manage the entire delivery process more efficiently are used in different countries. Biometric smart cards are used in South Africa and Namibia and mobile phones are used in Kenya to transfer cash to beneficiaries that are hard-to-reach in remote areas. Efficiency and cost effective solutions for the delivery of cash transfers is critical to its success, although the investments are costly. South Africa has delivered cash through partnerships with financial institutions for many years, but recent tender irregularities in the award of contracts almost grounded the entire system. Legal action by civil society groups and interventions by the Constitutional Court averted a near disaster for millions of people who were at risk of not receiving their benefits (see judgement of the Constitutional Court of South Africa in the matter between Allpay Consolidated Investment Holdings (Pty) Ltd and Others v Chief Executive Officer, 2013). Effective, independent, and ethical governance of social protection and capable institutions to deliver social protection are critical to the success of social protection in African countries. Opportunities for growing institutional delivery and management capability in the public sector are critical to its success. Box 1 provides examples of innovative social protection programs in Africa.
# Table 1: Examples of Social Protection Programs in Africa

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Year Established</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>South Africa's Child Support Grant (CSG)</strong></td>
<td>1998</td>
<td>Was implemented in 1998. It is means-tested reaching over 12 million children in 2017, and it is a fully publicly-funded non-contributory program making up 3.2% of GDP and reaches 60% of poor children. Initially the grant had no conditions attached to receipt, but a condition that the child should attend school is a new requirement. The grant is paid to the primary caregiver of the child, who may be either male or female, parents or relatives of the child. The value of the grant is approximately USD 34.50 and is paid monthly.</td>
</tr>
<tr>
<td><strong>Lesotho’s Old Age Pension</strong></td>
<td>2005</td>
<td>Was established in 2005. It is a nationwide, state-financed, unconditional non-contributory scheme available to all registered citizens over 70 years (and who do not receive any other form of pension benefit). The monthly transfer equivalent to USD 40 reaches more than 85,000 beneficiaries. Program expenditure was 2.39 percent of GDP in 2012.</td>
</tr>
<tr>
<td><strong>Rwanda’s Vision 2020 Umurenge Programme</strong></td>
<td>2007</td>
<td>Was established in 2007 as a leading program in the government’s National Economic Development and Poverty Reduction Strategy. It consists of three core initiatives to redirect social protection programs to vulnerable populations: (1) public works; (2) the Ubudehe microfinance scheme; and (3) direct support through an unconditional cash transfer. The program uses decentralized community-based targeting to provide direct support to poor families without labor capacity and public employment to poor families with labor capacity. The program reached over 300,000 individuals and households in 2014/2015. Program expenditure in the fiscal year 2014/2015 was USD 39.9 million, shared between the Rwandan state and international donors.</td>
</tr>
<tr>
<td><strong>Ethiopia’s Productive Safety Net Programme (PSNP)</strong></td>
<td>2005</td>
<td>Was established in 2005 to improve food security and to support livelihoods for rural households. It consists of an unconditional cash transfer component and is Africa’s largest public works program. Chronically food-insecure households are identified via geographic targeting and community-based targeting and benefits are paid in food, cash or a combination of both. It has an annual budget of USD 900 million (predominantly financed by international donors) and reached 10 million beneficiaries in 2015.</td>
</tr>
<tr>
<td><strong>Kenya’s Home Grown School Feeding Programme</strong></td>
<td>2008</td>
<td>Was established in 2008 to improve school attendance and increase national food production. It is a conditional cash transfer targeting food insecure children in primary schools in semi-arid areas which are experiencing low enrollment and high drop-out rates. In 2013, 729,000 children were reached. Program expenditure was USD 4.6 million (2013).</td>
</tr>
<tr>
<td><strong>Ghana’s National Health Insurance Scheme Fee Exemptions</strong></td>
<td>2003</td>
<td>Was established in 2003 to improve the population’s access to affordable health care services. It uses means-tested targeting to identify very poor, pregnant women or existing beneficiaries of the Livelihood Empowerment Against Poverty (LEAP) cash transfer program. Eligible beneficiaries are then entitled to exemption from payment of a health insurance premium and access to health care benefits. The program reached 6.7 million beneficiaries in 2014.</td>
</tr>
<tr>
<td><strong>Morocco’s Cash Transfer for Children (Tayssir Programme)</strong></td>
<td>2008</td>
<td>Was established in 2008 to reduce attrition from and dropout rates in schools. It provides monthly cash transfers (conditional and unconditional) to parents of children at selected schools in rural areas. In 2013/2014 the program reached 825,000 students. Program expenditure was USD 86 million.</td>
</tr>
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</table>

**Sources:** (Plagerson & Patel, 2016. Compiled from the following sources: Cirillo & Tebaldi, 2016; European University Institute, 2010; Garcia & Moore, 2012).
In summary, there has been a significant increase in target-
ed programs aimed at poor and vulnerable groups such as chil-
dren, older persons and, to some extent, for people with disabil-
ities. Although most of the programs are targeted, there is some
progress towards more inclusive and universal programs for
specific groups, such as older persons. But “safety nets” are still
important and widespread in response to emergencies. Differ-
ent targeting methods are used, such as means-testing, proxy
indicators, self-targeting, community-based and geographic tar-
getting and universal targeting of particular categories of people
in need. While some programs have reached critical mass in
their coverage, others remain small-scale pilot programs. How
to convert these pilot programs into programs at scale remains
a challenge.

Middle-income countries such as South Africa, with rights-
based approaches and with more public resources and infra-
structure, appear to be growing their social protection pro-
grams compared to low income countries that rely on donor
agencies or partnerships between governments and donors, al-
though there is also evidence of smaller, low-income countries
that are developing more inclusive and universal strategies for
selected groups. Besides funding constraints and a possible
over-reliance on donor agencies to fund social protection, the
expansion of social protection is also limited because of a lack
of opportunities for formal wage employment among the poor
(see Garcia & Moore, 2012; Plagerson & Patel, 2016).

Evidence of its impact. Evaluation studies, especially of those
that are well-funded, point to positive impacts on poverty and
improved food security (Bastagli et al., 2016; Honorati et al., 2014).
In South Africa, social assistance is associated with demonstrat-
ed reductions in poverty and inequality (Bhorat & Cassim, 2014;
Leibbrandt, Woolard, Finn, & Argent, 2010; Woolard et al., 2011)
and in Mauritius, Honorati et al. (2014) report reductions in
poverty by half. However, low coverage and low benefits levels
were cited as the reasons why some programs were less effec-
tive than the more expansive ones (Devereaux, 2015; Honorati et
al., 2014).

A second significant impact has been in increasing house-
hold food security and the positive nutritional benefits for
children. For instance, The World Bank found that the NSNP
prevented starvation of poor and food insecure households in
Ethiopia, while in other countries positive outcomes have been achieved in increased spending on food in South Africa (Neves, Samson, Van Niekerk, Hlatshwayo, & Du Toit, 2009). Achieving greater dietary diversity and reducing malnutrition in Lesotho and overall improvement in household food security was reported in a pilot study in Malawi, with Ghana also reporting increased spending on food consumption, especially in female-headed households (Garcia & Moore, 2012).

While the impact of social assistance on poverty and food security is well documented above and in other countries in the Global South (Barrientos, 2013), increasingly researchers are recording the multiple and multiplier effects of social investments in cash transfers in particular. These include contributing to more equal health outcomes, in general (ILO, 2014), and more specifically in countries such as Tanzania, Malawi and Ghana (Bastagli et al., 2016). Social protection’s impact on education outcomes are also reported, such as higher enrollment and attendance rates in school, for instance, in South Africa (Heinrich et al., 2012) and in Malawi and Zambia (European University Institute, 2010). Positive gender effects have been noted in some countries in Southern Africa, in the stimulation of productive assets and work seeking, and in contributing to the demand for goods and services in local communities (Plagerson & Patel, 2016).

However, many questions are asked about the unintended effects of social protection policies in Africa, such as its potential negative effects on employment behavior for working age adults. This argument is frequently cited by proponents of neo-liberalism in the North who contend that non-contributory social benefits have negative behavioral effects on employment behavior and foster a culture of dependency on the state. Similar arguments have been advanced in South Africa about the effects of the country’s expansive social protection program in creating dependency on the state, incentivizing teen-age pregnancies among beneficiaries of the Child Support Grant (CSG). These arguments were countered by Makiwane (2010), who illustrated empirically that the CSG is not the cause of teenage pregnancies and that fertility levels have, in fact, declined in South Africa over the past two decades, despite the introduction of the CSG.

There is also no evidence that social grants have disincentive effects on employment. Surrender et al. (2010) illustrate in their
research that most people want to work. This desire to work is undermined in a context of unusually high rates of structural unemployment in South Africa, amounting to a quarter of the working age population. Employment opportunities for people with low levels of skills are scarce due to declining resource-based industries, increasing mechanization, digitization of economic processes, and the drive for global economic competitiveness, requiring a work force with higher skills. Despite this unfavorable economic environment and its social costs, the evidence from social protection in South Africa suggests the contrary effect. Cash transfers provide a regular source of income in beneficiary households that in turn enable household members to save and preserve assets when faced with risks, facilitate job searches, and develop complimentary livelihoods strategies (Neves et al., 2009).

Other examples cited in Africa suggest that farmers are likely to stop farming due to the expectation that they will receive food aid from the state and donors. Devereux and White (2010), however, found that there is no basis for these assumptions. This does not mean that there may not be other unintended effects that are not yet known. Carefully designed programs that are sensitive to the local context are needed which are rigorously evaluated and monitored. In this way, unintended negative effects could be minimized while optimizing the positive unintended benefits of social protection.

Community involvement, citizen empowerment and citizen accountability initiatives are integrated in social protection programs in some African countries. Rwanda involves community members in the selection of beneficiaries (Ruberangeryo, Ayebane, & Laminne de Bex, 2011) while human rights approaches are contributing to citizen empowerment (Devereux, 2013) and in legal advocacy where citizens’ rights are violated, as well as advocacy by civil society organizations to promote accountability of governmental agencies in South Africa. In a pilot cash and food transfer program in Lesotho, help desks staffed by community volunteers assist people to lodge complaints. In Kenya, a rights charter clarifies roles and responsibilities of beneficiaries and administrators (Mwasiaji, Reidel, Mistiaen, Sandford, & Munavu, 2016). In addition, in Malawi, its Social Action Fund Project is a channel for citizen feedback as well as the use of “score cards” to monitor program efficiency.
How to engage community constituencies in social protection and social development activities needs further study.

Reflections on the Direction of Social Protection

The focus now returns to the question as to whether the developments in social protection in Africa are a continuation of neo-liberal social policies associated with the spread of global capitalism associated with residual welfare policies (or the “safety nets” approach)? Alternatively, are the new social protection policies a reflection of new directions in social development in the Global South? If so, what are its emerging features, its underlying assumptions and potential to promote social justice and transformation? The country case studies on which the analysis is based are not sufficiently detailed to draw definitive conclusions about the direction of social protection policies across all the countries that have social protection policies. Much more detailed country-level data and analyses are needed. Six key themes emerging from the aforementioned discussion are elaborated on below.

First, the growth and significance of social protection in African and other developing countries can easily be overlooked if only a neo-liberal lens is applied. Ferguson (2015) contends that the global narrative positing the success of free-market capitalism and the rolling back of welfare states meant that the rise of social protection, and particularly cash transfers, in the South has been missed. In some country contexts, Ferguson (2015) points out that these developments could lay the basis for more distributive and innovative social policies. Although this might be considered to be too optimistic a view, given the constraints in realising welfare systems with expansive distributive goals, there is now widespread acceptance in Africa and internationally that social protection has played and will continue to play an important role in reducing poverty in developing countries (Barrientos, 2013; Hanlon, Barrientos, & Hulme, 2010).

This changing trend breaks with past, conventional wisdom that social protection was not a viable policy solution in Africa due to fiscal constraints, low economic growth rates, a lack of institutional capability of the state, and governance failures, among others. However, the evidence and case examples outlined above show that instead of “rolling back the state,”
many African governments are experimenting with new social development programs that do not neatly fit the conservative neo-liberal milieu or classification of a social welfare regime that is widely used in the North (Esping-Anderson, 1990). An attempt to understand these developments needs to move beyond the classification approach of welfare regimes in Africa. A better understanding of the authenticity of these programs in the African context is needed—what gave rise to it, what policy instruments are devised to achieve particular ends, and how these ends are allied to the wider societal goal of achieving social well-being and social justice.

Using Northern lenses in the South is useful in uncovering the differences and similarities in the development of welfare regimes around the world. That said, it leaves little room for understanding the nuances within and between countries, the cross over between different systems, the rationales that inform policy choices, questions of feasibility, sustainability, the role of agency of beneficiaries in improving their lives, the role of civil society, families, communities and how gender norms shape welfare policies and institutions in development contexts.

The influence of globalization on African economies and how these developments are shaping employment patterns and unemployment are also crucial for the sustainability of social protection policies, as well as what complementary social and economic policies are needed in the South. Midgley (1981) has long cautioned against the uncritical application of northern modalities and classifications of welfare regimes in the African context, and he encouraged northern scholars to also learn from the South in solving their own social challenges.

Second, the features of the programs and their underlying assumptions suggest that some of the programs, at least, are attempts to find pragmatic and appropriate social development solutions to the social and human challenges that African countries face. There is great variation in the programs in relation to commitments to social rights, the level of institutionalization of the programs, the extent of coverage of vulnerable target groups and the use of both selective and universal principles of eligibility. Selective principles are rejected, as they are associated with residual approaches to social policy that are based on the poor law principles of making choices between the “deserving” and the “undeserving poor,” suggesting a residual or neo-liberal
paradigm. Normatively, preference is expressed for universal eligibility requirements, because these are more inclusive and are tied to citizenship rights associated with social democratic welfare systems.

The analysis above shows that low and middle-income countries in Africa use both principles in the targeting of their social development programs, including community targeting and self-targeting, among others. Some target the most disadvantaged or the chronically poor, while others view selective targeting as part of a longer-term plan to expand coverage to be universal. Different targeting methods are used based on pragmatic considerations, with the view to expand services and access to resources to people who have not previously had access to such resources such as migrants, people with disabilities, informal sector workers, women and other groups who have been excluded. Policy intentions, their long-term societal commitments and actual progress towards more just social goals, also need to be taken into account when making assessments about the potential of social protection to achieve wider social change. It makes little sense to use the principle of selectivity as a proxy for neo-liberal social policies, because in reality there is often a blurring of the boundaries between selective and universal principles of eligibility. Selective programs targeted at the most disadvantaged have also been found to be redistributive in countries by reducing income inequalities in South Africa (Leibbrandt et al., 2010). This does not detract from the fact that in some country programs, residual social policies are intended to remain minimalist, relying on the belief that economic growth on its own and the free market will bring human prosperity.

Despite variations in policies and programs, some countries are further on the road to promoting social inclusion and social justice than others, especially in middle-income countries that have more welfare resources to distribute and institutional capability (Garcia & Moore, 2012). Nevertheless, some low-income countries are redesigning their programs to be universal in covering eligible groups with significant experimentation in the design of programs and in the combination of food, cash and employment strategies.

Third, contrary to the assumptions made by neo-liberalism, Midgley (2000) and Midgley, Dahl and Conley Wright (2017) have consistently made the case for viewing social protection
policies as social investments in human capital development that could yield positive long-term economic returns for a society, enhance economic participation of excluded groups and development. The evidence, based on the country evaluations that were reviewed, show the positive multiple developmental impacts of social protection including on education, nutrition and the health outcomes for children and families and in protecting households against risks. These investments are associated with improved outcomes in employment and income and are borne out by some of the findings. Because most of the programs have not been longitudinally evaluated, these claims require further rigorous evaluations of social protection policies in African countries.

Fourth, a partnership between the state and other social actors, including communities, is emerging in some countries, especially low-income countries that are more reliant on donor agencies to kick start social protection programs. Proponents of conservative social welfare modalities have consistently argued for less government social spending, while the state has always been central to conceptions of social democratic welfare states in developed countries and in developmental welfare states in Asia. Again, the evidence from Africa suggests that many countries are crossing the margins between state and non-state forms of social provision and giving rise to more pluralist forms of delivery. In some countries, a collaborative partnership model exists, with the state being the main driver of social and economic development, while in other countries there is over-reliance on donors to initiate and implement social protection programs, especially in low-income countries. Consequently, too many donor funded pilot programs are not converted to national programs at scale. The danger is that African governments do not gradually build the institutional and fiscal capability to proactively lead and implement their own programs, although this is not the case in all countries. The level of innovation across the countries reviewed would not have been possible without donor support, which attests to the potential of mutually beneficial partnerships in development assistance and possibly new ways of international collaboration.

On the other hand, donor funding of social protection can lead to the abrogation of responsibility by African governments for poverty reduction. The sustainability of social development
programs that are donor funded can be compromised, especially when donors withdraw if their funding is exhausted or if there is substantial policy, and political and economic change in their home countries. Donors are also not accountable to the electorate in the same way as governments are in democracies. Electoral support for social protection in democratic regimes, especially in the early stages of building social protection floors in developing countries, is likely to become important in future debates on the direction of social protection.

Fifth, new constituencies are emerging that are supporting these programs among poor voters with the potential to hold governments accountable (Patel et al., 2014). As social protection programs grow, especially rights-based programs, it is likely that in future, beneficiaries will gain greater electoral power that could also shape the direction of social protection programs to be more transformative. Corrupt governments and elites who use social protection policies for “clientelist” ends (and not as a citizenship right), could lead to more populist and unsustainable social protection policies. Social protection has been criticized for being a passive instrument in promoting development in African countries, but there is some evidence of citizen and community involvement in social protection delivery, promoting accountability and advocacy for the expansion of social assistance.

Experimentation with community involvement in social protection in different countries also need to be rigorously assessed for its positive and negative benefits. Asking questions about who controls resource allocations in local communities, who benefits, and how best to enhance local engagement in policy design, implementation and in monitoring and evaluation could provide insight into how best to integrate these principles in their design and delivery.

Finally, while all the countries in the review were concerned with meeting the needs of their citizens, the needs of migrants and refugees are receiving increasing attention in regional and global social protection systems. Since there is considerable population movement between African countries in different regions in Africa, and especially in southern Africa with a long history of population movement in search of better economic and social prospects, cross border issues and debates in social
protection are likely to continue to feature prominently on the social development agenda.

Moving Beyond Safety Nets

In conclusion, this review of social protection policies and strategies in Africa points to changing trends in some African countries towards more expansive social investment-oriented poverty reduction policies, especially in middle-income countries with more resources than low income countries. These developments have the potential to grow welfare policies and institutions that are more appropriate, responsive to the needs of people and that could further a justice-based notion of social protection that includes the disadvantaged and that maximizes opportunities for improving their lives (Barrientos, 2016).

Social policies to reduce poverty and inequality by 2030 is a global social goal. African countries are lagging behind other developing countries in Asia and Latin America in their efforts to reduce poverty and inequality. The need to reduce poverty and inequality, particularly in both low and middle-income countries in Africa, remains a critical regional and global goal. Learning from what African countries are actually attempting to do and how, amidst significant constraints to enhance citizens’ welfare in a globalizing world, could provide rich opportunities for policy learning and action in both the North and the South. Social protection policies are likely to continue to play a significant role in rethinking social welfare modalities in Africa, in shaping social interventions and reimagining welfare institutions. Rigorous and critical analyses are needed in order to maximize the rich learning opportunities presented by the growth of social protection in Africa and other developing countries.

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Asset Building and Property Owning Democracy: Singapore Housing Policy as a Model of Social Investment and Social Justice

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This paper discusses a fundamental issue that continues to haunt Western welfare states: despite rising levels of social expenditures and a rigorous social investment-oriented social policy, poverty and acute social inequalities persist. Using the concept of Property Owning Democracy (POD) advanced by John Rawls, this paper argues that an asset-based housing policy might be able to improve social justice and reduce poverty. Using Singapore’s housing system as an example, this paper illustrates the connection between asset building and POD, and suggests that Singapore’s housing system, to some extent, fulfills the requirements of Rawls’ theory of justice in terms of maintaining an ex ante ownership of productive resources by all citizens through a nation-wide public housing program that provides early access to state-produced home ownership. The result is comparatively more dispersed property ownership and wealth that better meets the requirements of the theory of justice.

Keywords: Rawlsian property owning democracy, asset-based social policy, housing policy, social investment

Modern welfare states are challenged by two fundamental issues: first, notwithstanding continuous increases in social expenditures, most welfare states have failed to adequately address the problem of stagnating poverty and pervasive unemployment; second, social policies have failed to ameliorate the
issue of income inequalities and distributive justice. The gap between the haves and have-nots remains unprecedentedly wide in many advanced industrial economies, and consequently social injustice prevails in many corners of the world. Complicating this scenario is another critical global issue—rampant housing price inflation and the pervasiveness of housing affordability problems for low-income households, forcing many governments to re-examine long-accepted premises underpinning their social housing policy. This paper intends to shed some light on the above scenario based on a number of observations emerging in the fields of housing policy, social investment and social philosophy.

First and foremost, in social philosophy, John Rawls has strongly criticized the failure of contemporary welfare states in achieving social justice and proposed the idea of a Property Owning Democracy (POD) with radically different social institutions in order to meet the requirements of his theory of justice (Rawls, 1971, 2001). He observes that worsening inequalities under welfare capitalism must be remedied by a wider dispersal of property ownership \textit{ex ante} rather than \textit{ex post}. This means a distribution of some basic assets to every citizen at a very early age so that they can invest them for a return, rather than provide them welfare at a later stage when they are experiencing difficulties.

Second, in recent years it has been observed that many western industrial economies have begun to restructure their social housing policies to those that seek to embrace asset-building and home ownership for the masses. The idea is that if housing assets appreciates in value over a family’s or an individual’s lifecycle, the wealth accumulated to some extent supplements/enhances social welfare resources for the aged and in some cases may even reduce inequalities. This development is interesting in that it signals an important departure from a traditional social-rented housing policy to a tenure that emphasizes owner-occupation and asset-building. Finally, it has been observed that the social investment approach in social policy since the new millennium has encountered issues of focus and design, with initial results much less encouraging than was anticipated.

To effectively integrate social and economic policy, this paper argues that social investment in housing assets is as important as investment in human assets, as the former helps to build the latter. In particular, the role and impact of housing policy in
social investment needs to be rigorously explored. Using Singapore’s housing system as an example, this paper illustrates the connection between an asset-based housing policy and Rawls’ POD. I argue that Singapore, to some extent, fulfills Rawls’ theory of justice in terms of maintaining an *ex ante* ownership of productive resources through a nation-wide public housing program that ensures early ownership of assets. The result is comparatively more dispersed property ownership and a more rigorous fulfillment of the requirements of the theory of justice.

**The Problematic of Housing Policy and Social Investment**

One key problem of contemporary housing policy lies in the absence of a coherent understanding of its role in social investment. Housing policy has often been seen as a “wobbly pillar” in the study of the welfare state, as it has a complex relationship with the economy (Malpass, 2008; Ronald & Doling, 2010). Notwithstanding the long traditions of the two well-developed academic disciplines—housing studies and social policy—they remain strange bedfellows who seldom communicate. One possible explanation of this impasse points to the dual nature of housing both as consumption goods and capital investment. Its impact on GDP and its longevity as an asset often render its assessment beyond the scope of traditional social policy analysis. It therefore remains difficult for policy researchers to clearly assess its role in welfare capitalism when compared to other key social policy pillars such as health and social welfare.

However, this state of affairs is increasingly unsustainable as global house prices went from peak to peak, pressurizing governments and policy researchers to find ways to tackle the housing question and to restructure social housing in a way that will not further burden the welfare state. Likewise, the wealth effect of home ownership, particularly among the fortunate middle class and the better-off working class households who enter the housing market at the right time, has prompted the question: is the idea of housing as asset-based welfare a viable alternative to replace conventional social housing policy? Simply put, if there is a potential wealth effect for homeowners that could result in a reduction in welfare expenditures, scarce social housing resources could be allocated to other more urgent
social needs. Some even go as far as to call for new attention to so-called “privatized Keynesianism,” where welfare attainment is increasingly seen as lying within the private domain but with careful orchestration by the state through setting up a framework for the financialization of housing assets over one’s lifecycle (Van Gent, 2010).

Concomitant with the idea of housing as a major tool of asset-based welfare is the increasing importance of social investment as a foundational direction of social policy in western industrial societies. This is especially relevant in the European context; since the first decade of the new millennium was marked by an initial failure of the welfare state to meet social needs of the poor. Traditional social policy based on unilateral transfer and ameliorative welfare policies are no longer seen as viable solutions to meet social needs in an unstable global economy.

In 2013 the European Commission adopted a Social Investment Package that sets out a direction for an approach to social policy aiming both to facilitate economic growth and to protect people from poverty (Bouget, Frazer, Marlier, Sabato, & Vanhercke, 2015). The core rationale is that welfare systems should fulfill three functions: social investment, social protection, and stabilization of the economy. The approach relies strongly on the key assumption of the social development approach that the right mix of social and economic policies should be mutually reinforcing, hence pointing towards a developmental view of welfare (Midgley, 2013). Theoretically, this new policy direction is highly relevant, but the real challenge lies in the mix and integration of various economic and social policies. Moreover, when framed in a social investment perspective, it represents a precondition for future economic and employment growth, gradually transforming a welfare state to a social investment state. In other words, social policies, in the right manner and combination, should have lasting impacts by offering economic and social returns over time (Bouget et al., 2015).

These were encouraging visions at the turn of the new millennium when the European Union was contemplating its long-term direction in social policy. What remains problematic, however, is that the initial results of social investment projects remain unsatisfactory. In particular, a number of EU studies (Cantillon, 2011; Morel, Palier, & Palme, 2012; Vandenbergroucke & Vleminckx, 2011) demonstrated that the transition from the
old distributive welfare state to a new social investment state is more difficult than expected. Poverty and unemployment still persist despite a highly targeted policy aiming at increasing social expenditures in the last decade (Cantillon, 2011). Some began to think that social investment was fast becoming policy rhetoric rather than a reality, when the EU budget disposed of only 1% of GDP on social investment (Nicaise & Schepers, 2013). The attainment of the 2020 EU target of lifting 20 million people out of poverty now seems more distant than ever.

Research findings have further suggested that the social investment paradigm may have shifted resources away from programs that are more distributive to programs that are less so, and that social investment might have contributed to a “re-commodification and retrenchment of unemployment benefits” (Vandenbroucke & Vleminckx, 2011, p. 451). These studies on large-scale national social investment efforts in Europe flagged one important blind spot of the social investment package. That is: while it is theoretically sound to integrate social and economic policy, given the wide spectrum of policies, the relative/differential effectiveness of various policy integrations have not been fully explored or understood.

There are two dimensions that need consideration. The first is time, as the results of some social investment policies take a much longer time span to realize. For example, social investment inputs in education take a very long time to realize and its socio-economic effects might not lead to immediate employment. Factors such as chance or personal effort also play indispensable roles in turning social investment into real employment opportunities. Second, the nature/structure of a particular social policy might determine how well it could be integrated with economic goals. For example, a minimum income support program offers immediate social protection but might not be able to encourage work ethics and economic independence. On another level, structural issues in local economies may hinder the realization of integration given certain time-space constraints.

Moreover, a careful examination of the substantial contents of the Social Investment Package reveals one startling omission. Most policy instruments are heavily skewed towards the training and development of human assets, to the extent that physical assets or real assets have been neglected in the conception of social investment. Given the premises that national
social policies in EU are about job creation and the reduction of dependence on social protection, the situation is self-explanatory. However, research findings mentioned above have already suggested that employment demand is more often a function of global trends in production rather than a general rise in skilled labor supply (Sawyer, 2010). In any case, the nature of the social investment asset itself plays a significant role in determining the successful integration of social and economic policy. This then brings us to the issue of housing policy.

The Nature and Problem of Housing Policy

Housing is essentially a physical asset, hence it is not considered a form of human asset or employment creation. However, if investment in housing assets gives rise to income and wealth, it then bears a relationship to enhanced life opportunities and capacities to weather family risks, quite similar to the effects of income from employment. If this is established, then the implication is that a social investment state should likewise embrace a policy on assisting households to build up housing assets. To appreciate the importance of this claim, we need to lay down some basic premises about the nature of housing.

Housing bears two distinct characteristics. First, it is a commodity providing individuals with shelter as well as a stream of residential services over a very long time given its durability. This is called the “use value” of housing (Harvey, 1982). However, the fact that housing can be bought and sold like all other financial assets with changing market values makes it much more complex when compared to other social policies. This is called the “exchange value” of housing (Harvey, 1982). To illustrate, if government provides residential care services for the mentally ill, it is a form of welfare expenditure and consumption, and hence not so much a form of social investment. But then, if the government builds and sells low-cost condominiums to low-income families, then other than the consumption of residential services, housing price appreciations are a tangible outcome of asset investment that provides families with accumulated wealth for future use.

Theoretically, the increasing isolation of the exchange-value from use-value, not just in housing exchange, but in all kinds of commodity exchanges, highlights one fundamental contradiction
of modern capitalism (Harvey, 2012; Mises, 1933/1978). Such isolation encourages exponential extractions of capital gains from housing exchange that partly explain the phenomenon of rampant house price inflations in major housing markets such as San Francisco, Hong Kong and New York. In housing economics, these two values serve two important economic functions: first, the provision of shelter for families satisfies a demand for space; second, the exchange value satisfies a demand for asset investment (DiPasquale & Wheaton, 1996). When people own their house, it is natural for them to embrace both values. The importance is the relative weight people attach to each value.

It has been suggested that when households put greater emphasis on the exchange-value, the housing market tends to be more speculative and fluctuates more; this makes house prices less stable as homeowners move more often to realize capital gains or to adjust their housing investment portfolio, either upscaling or downsizing (Forrest & Lee, 2004). This situation is typically found in major housing markets around the world. Alternatively, if homeowners place greater importance on the use-value, the housing market tends to be more stable, as people tend to move less often and the market is less prone to speculative activities (Ball, 2002; Harvey, 2013). This situation is typically found in housing markets such as Germany, Switzerland and Finland. These markets are characterized by more mature homeowners and relatively stable house prices (Diwilde & Ronald, 2017; Forrest & Lee, 2003). However, even Nordic welfare states or corporatist Germany are now becoming vulnerable to the globalization of housing speculations, with parts of their urban housing markets also showing signs of instability (Emanuelsson, 2015).

Given this investment nature of housing, the key issue is thus about how the returns on housing investment could form part of the social investment package, to the extent of counteracting the monopolization of capital gains by big capital by dispersing gains amongst the less well-off. However, before considering how an appropriate institution could be set up to reap the social investment benefits of housing, there is another justification why the state has a stronger role to play in the housing system. This is about the inflationary trend of global housing markets and the high concentration of property wealth among a small sector of the population within most advanced industrial economies.
Housing researchers have long observed the inflationary trends of housing markets in major cities around the world (Ball, 2002). Two reasons could be adduced: the first is about speculative international investors looking for investment opportunities around major global cities. According to the 2016 Economist House Price Indicator, the global housing market continued to rise unabatedly, with Hong Kong, Canada, Australia and New Zealand leading the pack in 2016 (The Economist, 2017). Foreign investors, particularly those from China, have fueled the global housing markets. Since autumn 2014, an estimate of $1.3 trillion of capital has flowed out of China, and some of that cash has found its way into the residential property market in some of the world’s most congested cities (The Economist, 2017). In addition, according to the 2017 International Housing Affordability Survey, Hong Kong is found to be the world’s least affordable housing market alongside with places like Sydney, Vancouver, and Auckland, with the Least Affordable Housing Index of 18.1 (Demographia International, 2017).

The second reason for the inflationary trends in housing markets concerns institutional barriers, such as land-use regulations to prevent adequate supply of land for housing. One important reason advanced to explain housing price inflation in the San Francisco Bay Area and Hong Kong has been concerned with land use regulations in force in these two places that effectively prevent the release of land for development (Demographia International, 2017). Donald Brash, a long time governor of the Reserve Bank of New Zealand, stated, “the affordability of housing is overwhelmingly a function of just one thing—the extent to which government places artificial restrictions on the supply of residential land” (Betraud, 2014, p. 8). Given these institutional barriers and speculative investment capital, economists have long suggested that it is quite impossible for government regulations to halt house price inflations (Bosch-Badia, Montllor-Serrats, Panosa-Gubau, & Tarrazon-Rodón, 2014). Administrative measures, such as the increase of property tax or transaction tax, are frequently used as cooling-off measures for overheated real estate markets. However, the long-term effectiveness of such price regulation measures is often hampered when “hot money” floods into the real estate market again.
The high concentration of property wealth within a small sector of the population that gives rise to a much higher income inequality is yet another aspect that justifies stronger state intervention in more dispersed property ownership, particularly for housing. Thomas Picketty’s most celebrated economic study in 2013 suggests that capital or wealth ownership is much more concentrated than the distribution of income from work. His data for the U.S. indicates that the top decile owns 72% of America’s wealth while the bottom half’s claim is just 2% (Picketty, 2014). In other words, the rate of return on capital is greater than the rate of economic growth; the result is thus an overconcentration of wealth amongst the rich. Henceforth, one possible measure to ensure adequate supply of affordable housing for low-income groups is through a proactive housing policy in assisted home ownership so as to disperse property ownership at an early stage.

Property Owning Democracy (POD) and Housing Policy

Although state intervention in the housing market through social housing is generally justified on the basis of market failures, social philosophy broke new ground on such policy rationale in the last decade. This is based primarily on the work of John Rawls, as he was unhappy with the pervasiveness of social inequalities amongst modern welfare states. Re-examining his theory of justice at the beginning of this millennium, he made one important observation: the continued high concentration of productive resources by big capital remains problematic with achieving the social conditions essential for a just society (Rawls, 1971, 2001). His defence of POD against welfare state capitalism in *Justice as Fairness: A Restatement* (2001) has revitalized discussions over the merits of an asset-based approach to social policy, as opposed to the income-based approach, which was raised by Michael Sherraden decades ago under the aegis of welfare policy reform (Sherraden, 1991; Sherraden, Nair, Vasoo, Liang, & Sherraden, 1995).

Rawlsian POD concurs with Sherraden’s asset-based approach in that an income-based approach to welfare fails to bring about social justice. Instead of relying solely on transfer payments *ex post* to those who fall below certain social minimum, it
is paramount to make sure that there is a more equitable distribution of initial holdings *ex ante* so that everyone can start with some assets. While an income-based approach seeks to provide a decent minimum standard of living below which no citizens should fall, an asset-based approach is about making sure that “all citizens have tangible property, and enough of it to materially affect their life prospects and possibilities for exercising personal liberty” (Williamson, 2012, p. 226). Rawls’ position is best summarized in the following quotation:

> The background institutions of property-owning democracy work to disperse the ownership of wealth and capital, and thus to prevent a small part of society from controlling the economy, and indirectly, political life as well. By contrast, welfare-state capitalism permits a small class to have a near monopoly of the means of production. Property-owning democracy avoids this, not by the redistribution of income to those with less at the end of each period, so to speak, but rather by ensuring the widespread ownership of production assets and human capital at the beginning of each period, all this against a background of fair equality of opportunity. The intent is not simply to assist those who lose out through accident or misfortune, but rather to put all citizens in a position to manage their own affairs on footing of a suitable degree of social and economic equality. (Rawls, 2001, p. 139)

In short, a Rawlsian POD calls for an allocation of a certain amount of tangible property to every citizen and places restrictions on the accumulation of wealth and capital, contending that these two measures can help bringing an end to domination in politics.

The key is thus about the timing of social policy. Resources provided when an individual or the family faces difficulties are considered consumption rather than investment. For instance, providing access to the right education for young people early in their lives is far better than retraining them when they lose their work. In other words, to what extent a country can be fully or partially described as Rawlsian POD can be judged by three criteria: (i) Are there redistributive programs aiming at giving every citizen some tangible property to begin early in life, or even at birth? (ii) Are there legal and institutional arrangements serving as restrictions on accumulation of wealth and inter-generational
transfer of property? (iii) Are citizens able to enjoy fair value of their political liberties as a result of a more equitable distribution of property ownership?

My general argument is that assets distributed through the housing system provide individuals and families with important financial assets supplemental to educational or skills assets, as proposed in the social investment package. A house owned and occupied by the owner represents a stake in the country and thus provides lifelong services such as shelter and ontological security (Saunders, 1990). However, the most important aspect of assisted home ownership through social housing programs is about providing the poor a foundation asset with the potential to appreciate over a lifetime, similar to what capital investment is about for major capital owners and firms. A high percentage of home ownership, to the extent of 80% or above, actually represents a society with comparatively more dispersed property ownership, when compared to one having say, 50% home ownership.

The Case of Singapore: Asia’s First Property Owning Democracy?

Although Singapore is one of the richest countries in Asia, it is not considered the most equal. With successive economic deregulations since the last decade, some homeowners have used their capital gains from housing to invest in the small but speculative private housing market and made windfall gains. Coupled with other liberalizing economic policy, there are signs that social inequality is worsening. Nonetheless, with a Gini Coefficient of 0.458 in 2016, the lowest in a decade, Singapore still compared favorably with places like New York, London and Hong Kong, where Gini-coefficients are much worse (Singapore Department of Statistics, 2016). Moreover, from zero share of housing wealth in 1965, households’ share of gross housing wealth exceeded 60% during the Asian financial crisis. Despite the volatility of asset prices, by 2005, 85% of individuals and families residing in public housing enjoyed a share of about 50% of the gross housing wealth, providing clear evidence to justify the value of an early asset-building housing policy (Phang, 2001, 2015a, 2015b).
Given this housing wealth background, three distinct features make the Singapore housing system vastly different from most other housing systems in the world. With a home ownership rate of 90.9% in 2016, Singapore is the first country in the world with a housing policy aiming at 100% home ownership for the masses. This is the first distinct feature. There are two important underlying values: (a) home ownership is considered good for all as it provides every family with a stake in the country; (b) home ownership should help households to build up assets and wealth, thus enabling citizens to share the fruits of economic growth. This is evident from Lee Kuan Yew’s important memoir *From 3rd World to First*:

My primary preoccupation was to give every citizen a stake in the country and its future. I wanted a home-owning society. I had seen the contrast between the blocks of low-cost rental flats, badly misused and poorly maintained, and those of house-proud owners, and was convinced that if every family owned its home, the country would be more stable...my other important motive was to give all parents whose sons would have to do national service a stake...If soldiers’ families did not own their home, he would soon conclude he would be fighting to protect the properties of the wealthy. (Lee Kuan Yew, 2000, pp. 95–96)

In the middle of the twentieth century, Singapore was nothing more than a small tropical city with unpleasantly high humidity, abundant marshland, and a population mostly of Chinese descent; but by 1980, Singapore has already emerged to become one of the most important new economic powers in East Asia, with a per capita GDP of U.S. $6865 and a population of 2.4 million. In 2017, Singapore’s per capita GDP is estimated at $51,431, with a population of 5.6 million. An important challenge for the developmental state is for the capacity of the government to respond to changing circumstances in the context of an increasingly competitive global market. This then brings up the second distinct feature of Singapore’s housing system.
Asset-building through Home Ownership for All

To attract international capital, the Singapore government faces one major challenge: to build a multi-racial workforce that is productivity-enhancing, supported by families who find life secure. How could this be achieved? To do so, the society needs a social security system that encourages individuals and families to save for the future and a shelter that provides them security and decency. This means social planning for a secure lifelong income stream through savings and asset-building. The government reckoned that this could only be done primarily through a collective saving institution that could create the necessary capitalization for housing investment—that is the Central Provident Fund (CPF). The idea is that with CPF building up compulsory savings for all households, savings are then channeled for capital formation at the macro level, where the government invests them in owner-occupier housing built by the state. This housing is then sold to CPF members, who pay their mortgages provided by the housing authority out of their CPF savings. This process creates a circuit of capital going from the people to the state and back to the people.

The interesting thing to note is that the Housing Development Board (HDB) actually provides loans and mortgages to Singaporeans and hence successfully marginalized commercial banking activities. The monopolization of the mortgage business by the state is further sealed by fixing the mortgage lending rate at 0.1% higher than the interest rate provided by CPF for household savings, thus ensuring affordability in loan repayment.

We then come to the third distinct characteristic—monopoly in housing production and housing finance. To ensure that Singaporeans develop confidence in their housing wealth, one needs to establish a mature and stable housing market and a highly regulative housing finance system, one that ensures relatively stable house prices over the long-run and with the least price speculations. To achieve this, the government needs to take advantage of some kind of monopolistic position. To do so, first the Singapore government joins up the CPF and the HDB. This means a monopoly of: (a) housing production; and (b) the mortgage market. In other words, Singapore’s largest developer is the HDB
and the largest mortgage bank is also the HDB. Mortgages from commercial banks only apply to a tiny sector of the housing market existing outside the public system and hence, unlike the rest of the world, price movements in the private housing sector exert little influence on overall house prices. To mitigate speculative activities, the Singapore housing market is closed, where only citizens could buy or sell public flats with, of course, quite a few restrictive rules. In addition, with carefully built-in adjustment mechanisms for the CPF contribution rates for employers and employees, the consequence is a relatively stable price regime. When the economy is overheated, CPF contribution rate for both households and employers will increase, whereas during an economic downturn, the lowering of the contribution rate helps boost consumption and reduce labor costs. More important, prices for new government flats are fixed in accordance with prevailing income data to ensure affordability. Without these monopolistic control mechanisms, house prices would fluctuate enormously, like the rest of the world.

An interesting comparison is to contrast Singapore’s housing system with that of Hong Kong. In Hong Kong, the housing system is quite independent of the social security system. Although the housing authority produces and distributes some 50% of housing in both rental and owner-occupier housing, the government lacks any adequate capacity or monopolistic mechanisms to stabilize house prices. Instead, in the last four decades the housing market was monopolized to a great extent by a few large real estate developers, whose concerns were apparently profit maximization (Lee, 1999). House prices have always been subjected to great fluctuations as a result of intense speculative activities, not just from global corporate investors, but also from small homeowners who see home-buying as a channel for quick gains (Smart & Lee, 2003). Henceforth, only a small part of the middle class households managed to accumulate assets and were highly dependent on the time of their exit and entry to the housing market (Forrest & Lee, 2004). Unfortunately, today many middle class households still cannot afford private housing as a result of long-term house price inflations. The government barely plays a role in pursuing a social policy based on asset-building, resulting in a constant battle with the political left about building more public housing to ease housing shortages. A tour around Hong Kong’s new condominium districts
is self-explanatory. While there is an acute housing shortage, there are at the same time many vacant flats being hoarded by housing investors big and small! This is exactly why John Rawls was so depressed by welfare state performances and why he considers it paramount to provide tangible assets \textit{ex ante} rather than \textit{ex post}.

\textbf{Justice as Fairness:}
\textbf{The Genesis of a Just Housing Policy}

If one reason for the success of Singapore housing lies in its integration of the social security system with housing, then what is the underlying purpose of such institutional arrangement? For Singapore, the beginning of one such institutional arrangement was accidental and closely linked to an establishment of a primitive saving scheme run by the British colonial government in 1950s (Lowe, 2001). CPF essentially began as a self-funded savings scheme to help local government servants who were excluded from civil service benefits of British colonial officials. It was modeled after African and Malaysian systems in order to ensure that the British government was not unduly burdened by social security expenditures of its colonies. However, as it developed, the Singapore Provident Fund scheme turned out to be an extremely valuable legacy for the new government. From the outset, the emphasis of the CPF scheme was on provisions for old age. Despite pressure from workers calling for changes to enable them to flexibly withdraw their savings, the government stood firm on the rule that savings could only be withdrawn upon retirement at 58. It was not until the late 1960s that the CPF rule was liberalized to include home purchase from the housing authority with CPF savings. Since then, it has been slowly adapting to the changing needs of an increasingly affluent population. Singaporeans can now use their CPF savings for various purposes, including stocks investments, health-care insurance and overseas college education for children from the aspiring middle class. In 2016, the Total Contribution Rate for CPF was 37\% of wage, with 17\% from the employer and 20\% from the employee. The involvement of the state in facilitating the management of an individual’s lifelong wealth portfolio through home ownership is perhaps the key
characteristics of the Singaporean social policy model. Amidst emotive labels such as “the nanny state” or “Singapore Incorporated,” is, in fact, a radically different social policy approach—one that goes beyond meeting housing needs by helping households to accumulate lifelong assets and attain security through home ownership.

While many welfare states in the West have generally done well to provide the material base of the welfare state, they do not guarantee that the needs of all social groups are well met, particularly those from the low income groups and the socially deprived. The virtues of welfare capitalism in the form of private property ownership, free enterprises, and open competition can have very bad side effects. The downside is greed and selfishness when profit motivation is taken to its extreme. Although Rawls attached a much broader meaning to the idea of property in POD, embracing both human and physical assets, the extremities of market imperfections are demonstrated much more vividly in the housing market. Henceforth, to enable a housing system that works for the masses, one must establish such a system at an early stage. To do so, Singapore set out strict laws and regulations on land use and transactions in the early 1970s, not to make allowance for windfall gains by private developers on land acquisition. This is evident in the following statement from Lee Kuan Yew’s memoir:

I further amended the law to give the government power to acquire land for public purposes at its value on a date then fixed at 30 November 1973. I saw no reason why private landowners should profit from an increase in land value brought about by economic development and the infrastructure paid for with public funds. (Lee Kuan Yew, 2000, p. 97)

This is an absolutely unimaginable public policy position in a free market economy like North America or Hong Kong, since it not only empowers the state to monopolize land use, but also forestalls private gains on land. However, if seen from the POD perspective, this represents an early institutional arrangement to shift land resources allocation to mass home ownership in order to achieve fairness and justice in its use, something that requires careful crafting in terms of social planning from the very beginning.
A distinction needs to be made between the productive aspect of capitalism and its distributive aspect. Very often, capitalism results in a distribution that is neither desirable nor sustainable. The private motivation of buyers and sellers, each maximizing utility and profits, could generate behavior that is counterproductive to class interests. It is here where the politics of governance prevails, laying down the foundation of modern welfare capitalism - the state having a role to play as the umpire to maintain a pattern of distribution that could induce “just” class interests. The ultimate aim is to achieve a fair and just society where individual differences and motivations can be protected, while not resulting in favoring only a few big winners.

Embedded in Singapore’s social policy is a clear claim for social justice. Lee Kuan Yew (2000) considers that there is nothing wrong with socialism or the welfare state. What is problematic concerns getting the institutional arrangements right. The following statement in his first memoir is highly reflective of his systematic attempt to establish social justice in social policy. “A Fair, not Welfare Society,” the title of Chapter Seven of his first memoir, clearly states his ultimate aim:

We believed in socialism, in fair shares for all. Later we learnt that personal motivation and personal rewards were essential for a productive economy. However, because people are unequal in their abilities, if performance and rewards are determined by the market place, there will be a few big winners, many medium winners, a considerable number of losers. That would make for social tensions because a society’s sense of fairness is offended. (Lee Kuan Yew, 2000, p. 95)

It is interesting to note Lee’s comparison of Singapore to Hong Kong. The following statement again reflects Singapore’s attempt to balance the adverse effects of growth and the role of the state:

A competitive winner-takes-all society, like colonial Hong Kong in the 1960s, would not be acceptable in Singapore. A colonial government did not have to face elections every 5 years, the Singapore government did. To even out the extreme results of free-market competition, we had to redistribute the earning power of citizens, such as education. Housing and public health were also obviously desirable. But finding
the correct solution for medical care, pensions, or retirement benefits was not easy...We decided each matter in a pragmatic way, always mindful of possible abuse and waste...Our difficulty was to strike the right balance. (Lee Kuan Yew, 2000, p. 95)

Given this background, three primary connections between housing and social policy in Singapore are clear. First, for a social policy to be sustainable in the long-run, it has to uphold the principle of justice, particularly for the not-so-competitive. Second, there has to be an institutional arrangement that does not work against individual incentives. Third, because of the unique nature of housing both as investment and consumption goods, its vulnerability in the open market, and its asset-building nature, the housing system tends to work more equitably in a collective manner, and must be divorced from pure profit maximization. To achieve this, the society must make an early choice between the market or the state regarding housing. This again begs an interesting comparison between Hong Kong and Singapore that reflects their fundamental differences in governance. While both places belong to what Schwartz & Seabrooke (2008) coined “residential capitalism,” where housing and the real estate sector play central roles in their economy, as a result of very different institutional arrangements, Singapore enjoys the status as one of the best-housed countries with an abundant supply of affordable housing, while Hong Kong constantly suffered from spiraling house prices and affordability problems over the last three decades. Both places, interestingly, exhibit a high degree of state intervention in public housing: Hong Kong 53%; Singapore 90%. As rightly argued by Schwartz & Seabrooke (2008), housing policy is a prime causal factor for domestic and international economic and political outcomes.

In the last three decades, the lack of effective regulation in the Hong Kong housing market and the constant housing price inflation has spurred great political tensions between political parties representing popular interests and real estate interests. “Real estate imperialism” and “government-business collusion” have been two strong allegations confronting the Hong Kong political agenda. An unjust society has been developed along the fault-line between those who own and those who could not. Politically, however, this scenario does not apply to Singapore.
Why? My previous discussions all point to the conscious formation of institutional arrangements in housing policy by the state, based on a clear social philosophy of fairness and justice. I think this is by far the most neglected and the least studied aspect of Singapore’s social policy.

Analysis

When John Rawls deliberated the idea of POD in *Justice as Fairness: A Restatement*, Singapore’s housing system had already been in operation for thirty-seven years. It was unlikely Lee Kuan Yew had consulted his idea when the home ownership program was launched in 1964. In those days, Singapore’s housing was all about political legitimacy (Chua, 1997). After her bitter separation from Malaysia, Singapore badly needed a stable work force for economic development. A stake holding approach to housing seems a logical choice for nation-building. Later, when the economy grew in the late 1970s, it also met with a corresponding increase in housing prices, and hence the first feeling of wealth by homeowners. There were pressures on the government to reduce CPF contributions so that there could be more take-home pay for consumption. The government then realized an important public choice had to be made: should it focus on present or future consumption? My previous quotations from Lee Kuan Yew have already explained Singapore’s choice.

To conclude, I return to the three POD criteria mentioned at the beginning of this paper to see if Singapore fits well: (i) Are there redistributive programs aiming at giving every citizen some tangible property to begin with? The answer is obviously yes. The CPF cum housing program clearly demonstrates its positive effects in terms of an improved dispersal of property ownership through housing at an early stage. This paper does not address the education and health care programs in Singapore, however, they also fit well in the asset-building schema and are very much reflective of the spirit espoused in POD. (ii) Are there legal and institutional arrangements serving as restrictions on over accumulation of wealth and inter-generational transfer of property? This is the not-so-successful part of Singapore’s plan. Economic liberalization has expanded in successive governments, and to strengthen political legitimacy, the government has allowed some to prosper more than the others.
This engenders widening inequalities and likewise reflects a lack of insitutional establishment to restrain accumulations. (iii) Are citizens able to enjoy a fair value of their political liberties as a result of a more equitable distribution of property ownership? This is a more controversial part of the equation that deserves a rigorous discussion going beyond this paper. However, Singapore is a limited democracy with universal suffrage. The People’s Action Party (PAP) has won every election since 1959. The dominance of the PAP, a low level of press freedom and restrictions on civil liberties and political rights have led many to classify Singapore as a semi-authoritarian regime. In this respect I am inclined to adopt a process approach to answer the third question. I believe Rawls has made an important point in justice as fairness and the primacy of political rights. The present political system in Singapore clearly does not measure up to the requirements of the fair value of equal political liberties. However, if the structure of social policy is based on a genuine fairness for its citizens in a POD sense, citizens will be empowered politically as a result of widely dispersed property ownership, hence providing Singapore the best potential to develop as Asia’s first POD.

Finally, notwithstanding the fact that Singapore does not fully meet with the three POD criteria, its housing system does serve as a distinct model for social investment. In fact it fully meets the three objectives of EU’s Social Investment Package: social investment, social protection, and stabilization of the economy. Many researchers have agreed that without the housing system, Singapore would be a very different place today (Castells, Goh, & Kwok, 1991; Chua, 1997; Doling & Ronald, 2010, 2014; Forrest & Lee, 2003, 2004; Lowe, 2001). Indeed, its unique approach to social investment through housing deserves a much more rigorous examination in both theory and practice.

References


Investing in Adoption:
Exploring Child Development Accounts for
Children Adopted from Foster Care

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Adoption is arguably the most powerful intervention available for children in foster care who are unable to be restored to their birth families. Adoption promises stability and a family for life, in contrast to foster care or guardianship, which are expected to end when the child reaches adulthood. In comparison to foster care, adoption is associated with better educational, financial, and social outcomes. However, because children adopted out of foster care have had adverse experiences, they may have additional support needs in later years. These unknown costs can be off-putting to potential adoptive parents, who may not be in the financial position to pay for costly services which may be needed to address trauma and support psychosocial functioning. To address this issue, countries such as the U.S., U.K., and the state of New South Wales in Australia have introduced adoption subsidies and allowances for adoptive families. This article suggests that financial supports for adoption could be extended by introducing Child Development Accounts for children adopted from foster care. Child Development Accounts have been used to encourage savings among youth in foster care and other target populations. These programs function by providing matched funds for purposes enabling positive development. The paper argues that Child Development Accounts for children adopted from care could potentially benefit a highly-vulnerable group of children and support them to access services and achieve more positive life outcomes.

Keywords: Foster care, adoption, Child Development Accounts, adoption subsidies
The child welfare systems of the United States, United Kingdom, and Australia are recognized as having a shared “child protection” orientation (Gilbert, 1997). Research conducted in one of these nations has often gone on to influence policy and practice reforms in another. Adoption from foster care is a part of each system, to a varying degree, with highest preference for this permanency option and greatest volume of adoptions per capita occurring in the United States, followed by the United Kingdom, and then Australia, where this placement option is primarily utilised in New South Wales (Ross & Cashmore, 2016).

While adoptive families can access publicly-funded allowances or payments in all three countries, an asset-based approach to supporting adoptions from foster care has not yet been trialled. Child Development Accounts have been used to encourage savings among low-income families and other target populations, including youth in foster care (Jim Casey Youth Opportunities Initiative, 2009). These programs function by providing matching payments to participants’ contributions, with restrictions on use of funds for purposes enabling positive development, such as higher education. Beyond the financial benefits of accumulating savings that can be used for children’s education and other needs, research suggests that participation in these programs can have positive psychological benefits for children and parents, promoting aspiration and positive views of the future (Huang, Sherraden, Kim, & Clancy, 2014).

This article considers the potential application of Child Development Accounts to enhance the life chances of children adopted from foster care, through an investment-oriented approach to child welfare. Child Development Accounts for adopted children could help build assets for use, if needed, to access social services, and to promote a successful launch into adulthood, covering costs associated with higher education or starting a small business. The paper argues that this proposed policy could potentially benefit a highly-vulnerable group of children who have experienced abuse and neglect and support them to access services and achieve more positive life outcomes.
Adoption from Foster Care

Countries with a “child protection” orientation to child welfare services (Gilbert, 1997), including the United States, United Kingdom and Australia, share certain broad features. These systems are legalistic in nature, including mandated reporting of child abuse and neglect, investigation as preliminary intervention, and involuntary out-of-home placement when deemed necessary for children’s safety and development. Birth families are typically offered services intended to ameliorate child protection concerns and can be compelled through the coercive power of the state to comply with services (Gilbert, 1997). If courts deem that insufficient change had been made to address child protection safety and risk concerns and that restoration to the family of origin is not in the child’s best interests, other placement options are considered. These options include adoption, guardianship, or long-term foster care, with carers who may be relatives or strangers. Adoption from foster care is considered an integral part of the child protection system in the United States and United Kingdom, and has recently increased in Australia, particularly in the state of New South Wales (Ross & Cashmore, 2016).

Adoption is defined as the permanent severing of legal ties to the birth parents and establishment of new legal ties to adoptive parents (Barth, 2008). Adoption from state care may occur with or without the consent of birth parents. Federal policy in the U.S. dispenses with the requirement for parental consent, while in the United Kingdom and in New South Wales, Australia, the courts may dispense with parental consent (Ross & Cashmore, 2016). Adoption from foster care can involve the child’s foster carers transitioning from a temporary to permanent arrangement. In these circumstances, jurisdictions may pursue concurrent planning, where adoption and reunification are both considered at the point of placement (D’Andrade, Frame, & Berrick, 2006), or sequential planning, where efforts toward reunification, if unsuccessful, are followed by consideration of adoption (Tregeagle, Moggach, Cox, & Voigt, 2014).

The United States, United Kingdom and New South Wales, Australia, have each instituted a hierarchy of permanency placement options. In the United States, adoption is preferred as the
next option if restoration to birth parents is not possible. Adoption by relatives is encouraged. By contrast, the United Kingdom and New South Wales preference is legal guardianship to relatives as the second choice, reserving adoption to non-relatives as the third option (Ross & Cashmore, 2016). In the United States, the majority of adoptions from foster care tend to be done by the child’s foster parents and only a minority are comprised of stranger or matched adoptions, while the reverse is true in the United Kingdom (Selwyn, Wijedasa, & Meakings, 2014).

Adoption is generally associated with more positive outcomes for children than long-term foster care (Triseliotis, 2002). Research on the outcomes of children adopted from care have found that they tend to do fairly well in terms of child development and well-being indicators, though not as well as the general population (Zill, 2011), a finding that is not surprising given issues that may arise from early childhood trauma (Wrobel & Neil, 2009). Looking across meta-analyses of adopted children in intercountry and domestic adoptions, van IJzendoorn & Juffer (2006) find evidence for a “catch up” model of adoption, with positive impacts associated with adoption in the areas of physical growth and development, attachment, cognitive development, and school achievement; however, research supports that adoption is not a panacea that can overcome all the impacts of past trauma (Smith, 2013).

For children adopted from foster care, their experiences of child abuse and neglect can create a legacy of emotional, behavioral and developmental challenges (Pennington, 2012). Adolescence, with its accompanying major changes to brain development and hormones, as well as psychosocial tasks associated with identity development, has been reported as a challenging time by adoptive families of children with foster care backgrounds (Selwyn et al., 2014). In their study of 390 adoptive parents, Selwyn et al. found that about a quarter reported multiple, overlapping difficulties, with under 10% having left home early, though often maintaining contact with the adoptive family. Adoption breakdowns (which may be called disruptions or dissolutions) have been estimated to occur in the United States in about 10–25% of cases, depending on the population examined, and about 4–11% in the United Kingdom (Selwyn, Wijedasa, & Meakings, 2014), though more recent findings in Wales
and England point to a lower rate of disruption of 3% or under (Wijedasa & Selwyn, 2017).

Because of challenges arising from experiences of early childhood adversity, children adopted from foster care may require additional services and supports. Therapeutic interventions are particularly critical, to help the child adjust to the new family and to resolve past trauma, as well as to support healthy identity formation and ongoing contact with the birth family. Studies suggest that a substantial proportion of families who adopt children from foster care are likely to seek services for adjustment issues and children’s emotional and behavioral issues (Selwyn, Wijedasa, & Meakings, 2014; Vandivere, Malm, & Radel, 2009). These interventions include helping adoptive parents develop skills in “therapeutic” parenting so they can support the child learn to trust, feel safe and develop attachments (Petersen, 2012).

Children adopted from care often bear risk factors associated with the development of adult mental health problems (Selwyn, Wijedasa, & Meakings, 2014), highlighting the importance of early intervention mental health services to address behaviors that may be early signs of for potential later mental health problems. Educational supports are also important, as children can manifest difficult behaviours and learning difficulties associated with an early trauma history that can be poorly understood by educators (Pennington, 2012). Moreover, children in adoptive and foster families have reported experiencing bullying from peers, which can create an unsafe environment within the school (Rao & Simkiss, 2007). Educational leaders can take measures to promote “adoption-friendly” schools that are sensitive to the needs of children who have experienced trauma (Langton & Boy, 2017).

While post-adoption services and supports are crucial, there are often barriers to access. Adoptive families report a lack of information about where to go for services and challenges accessing them, such as service costs (Selwyn et al., 2014). Access to services is needed at various points, including transitions such as puberty that can trigger challenging behaviors, not just immediately after the adoption. The types of services requested by adoptive families, including child and adolescent mental health services and other therapeutic supports, often have limited availability (Bonin, Lushey, Blackmore, Holmes, & Beecham,
2013). Frequently, services are only available as interventions at the point of crisis, rather than as preventative supports for a population known to be at higher risk for emotional and behavioral issues due to early childhood trauma (Beauchamp, 2014).

However, costs to provide post-adoption supports should be considered in relation to those associated with adoption breakdown. The experience of adoption breakdown can create fresh pain from rejection and disrupted relationships. Youth with disrupted adoptions can also be isolated and vulnerable to exploitation and abuse (Selwyn et al., 2014). Adoptive parents who experience disrupted adoptions often report a lack of post-adoption supports (Festinger, 2014). On balance, there are clear financial arguments for supporting the success of adoptions from care in terms of direct cost savings associated with providing a foster care placement, and indirect savings, by reducing the likelihood of negative life experiences, such as incarceration and unemployment (Bonin et al., 2013; Zill, 2011).

Increasingly, governments are reorienting toward an investment-oriented approach to child welfare services. This includes considering adoption from care as a placement option with better prospects for children, at lower public costs (Zill, 2011). These savings offer an opportunity to reinvest back into supports to enhance the well-being of children and their adoptive families. For example, in 2015 England established the Adoption Support Fund, and in two years the fund has expended more than £50 million on providing therapeutic support for over 23,000 children adopted from foster care, as well as children on guardianship orders and intercountry adoption (Adoption UK, 2017). The next section considers a new possible direction: establishing Child Development Accounts for children adopted from foster care.

An Investment-oriented Approach to Child Welfare

As discussed by Midgley (this issue), the paradigm of social investment has emerged as a contrast to the traditional welfare state paradigm. Social investment emphasizes human capital accumulation, very often through child-centered approaches such as high-quality early childhood education and care (Esping-Andersen, 2002). Social investment through public policy can partially offset inequalities in the distribution of financial
Investing in Adoption

and human capital through provision of resources and services to parents to meet their children’s basic needs (Wright, 2017). Social investment thinking is part of a broader change-oriented developmentalist approach that emphasizes building people’s strengths and capabilities (Midgley, this issue). In the area of child welfare, a developmental approach accomplishes this goal through prevention and poverty alleviation using strategies such as early childhood education and asset accumulation (Conley, 2010a). For example, the Integrated Child Development Scheme in India builds human and social capital through early childhood education, while providing a platform for child protection when families are identified as being at-risk for child maltreatment (Conley, 2010b).

The concept of social investment is increasingly being applied to child welfare. On the face of it, there are substantial social expenditures into the child welfare system, primarily related to the cost of foster care, which is with poorer outcomes. In the U.S., for example, state and federal annual costs for foster care exceed $9 billion dollars under the Title IV-E funding stream alone. At the same time, adults in the U.S. who experienced long-term foster care as children are disproportionately represented among the prison population and are significantly more likely to experience costly social problems such as school expulsion, homelessness, teenage pregnancy, unemployment and substance abuse (Zill, 2011). These costs to individuals and to government can extend into the next generation. Research on the intergenerational transmission of foster care in the U.S. (Courtney, Dworsky, Lee, & Raap, 2010; Jackson Foster, Beadnell, & Pecora, 2015), Australia (New South Wales Government, 2017) and other countries, including Denmark (Mertz & Andersen, 2016), has found those who have grown up in foster care are significantly more likely than the general population to have their own children go into foster care.

Raising children is a costly undertaking, and children adopted from care can have additional needs that may add costs. The time, energy and resources needed to parent children with care backgrounds can exceed what is required for children without this background (Forbes, O’Neill, Humphreys, Tregeagle, & Cox, 2011). Costs can increase incrementally for families adopting sibling groups from care. Adults with the time to provide intensive parenting are frequently those more likely to lack
financial resources, either because they work part-time or, having raised their own biological children, are now close to retirement. Research on families who adopted children from foster care in the U.S. found that a significant portion are low-income (U.S. Department of Health & Human Services, 2011), with some evidence suggesting that foster families who are blue-collar or lower-middle income may be most successful in providing care due to the similarity between socioeconomic status of the child’s birth and foster families (Eastman, 1982; Rosenthal, Groze, & Curiel, 1990).

In recognition of the additional costs associated with adopting a child from foster care and to reduce financial barriers, many jurisdictions have introduced financial subsidies for adoption. In 1980, the United States implemented federal monthly payments to adoptive parents who adopt children with special needs from the foster care system, and in 2001 introduced an unqualified tax credit of $10,000 U.S. dollars (Hansen, 2007a). Special needs are defined as a condition making it difficult for the child to be placed in an adoptive home, such as being part of a sibling group, older age, medical disability, or membership in an ethnic or racial minority. Each family negotiates the amount of subsidy with their state, depending on factors such as the child’s needs and the adoptive family’s income, resulting in substantial variation in payment, with a median monthly payment of $461 in 2006 (Buckles, 2009).

The United Kingdom introduced adoption allowances in 1983, which are recommended by local adoption panels when approving adoptive placements (O’Halloran, 2009). These payments may be made in circumstances where it is perceived that adoption may not otherwise be possible or practical, such as adoption of a child with special needs or a sibling group (CoramBAAF, n.d.). Data on average adoption allowance payments are not available, but post-adoption support, mostly comprised of the cost of adoption allowance, has been reported as £2334 per case per year (Selwyn, Sturgess, Quinton, & Baxter, 2006). Since 2015, adoptive parents also have the same leave and social payment rights as birth parents (UK Department of Education, 2015). New South Wales, Australia, recently re-introduced a means-tested adoption allowance, for children adopted from foster care from July 2017, for an amount up to $25,000 Australian
dollars annually for children under age 4 and up to $37,000 for older children (McNally, 2017).

Cost-benefit analyses of adoption from foster care (Barth, Lee, Wildfire, & Guo, 2006; Hansen, 2007b) suggest they result in significant cost savings to the government. These costs savings come from the lower child welfare costs of supporting an adoptive placement, even with allowances or subsidies and post-adoption services, compared to providing a foster care placement. In addition, adoption may offer greater access to social capital when compared to foster care (Barth, 1999), promoting positive development leading to better outcomes in education, employment and other measures (Barth et al., 2006). This can result in a reduction in downstream costs for services such as special education and criminal justice involvement. Hansen (2007b) estimates that each dollar spent on adoption from foster care yields about three dollars of cost savings. Barth and colleagues (1997) caution against making precise estimates, based on issues accessing service costing and other data, but similarly argue that there is clearly a substantial savings. Moreover, they point out that adoptive parents contribute a significantly higher proportion of their own finances towards the welfare of their children compared to foster parents, so adoption “secures a private partner (family) that invests additional resources over a child’s lifetime” (Barth, 1997, p. 27). This permanent familial relationship is also likely to generate benefits into adulthood, in terms of financial and other forms of support (Barth et al., 2006).

While not often considered as an investment in human capital, adoption is arguably the most powerful form of social intervention (U.S. Senate Committee on Finance, 1997), going well beyond a program that provides education or health services by providing a child with a normative family experience (van IJzendoorn & Juffer, 2006). Because it is an intervention that takes place in the private sphere of family, it is easy to overlook. However, adoption does not remove the responsibility of society towards children who have been abused and neglected (Wrobel & Neil, 2009). As previously discussed, children from foster care backgrounds can experience greater challenges on their pathways to successful adulthood, and their history of adverse childhood experiences can require special services and supports. Social investment to support families created through
adoption is necessary to ensure the best outcomes for children and to avoid privatizing costs associated with adverse childhood experiences.

Child Development Accounts for Adoption

Child Development Accounts (also called Child Savings Accounts, or Individual Development Accounts, which include adults) are a policy innovation developed by Sherraden (1991) that has captured wide international attention. The basic idea is an account that will allow parents, often supplemented by government, to accumulate savings on behalf of children that will be available to support their successful launch into young adulthood. The common design features of a Child Development Account are seed funding from government with a match (1:1 or different rate) to parental contributions, with restricted use of funds for designated purposes such as higher education or starting a small business, or other human capital generating endeavors (Meyer, Zimmerman, & Boshara, 2008). Countries including Canada, the United Kingdom, South Korea, and Singapore have implemented Child Development Accounts on a population basis, often with additional targeted funding for low-income families (Loke & Sherraden, 2009). There have also been smaller-scale efforts to introduce Child Development Accounts in other countries, including developing countries, in a variety of forms, including through governmental policies associated with social assistance and through non-governmental groups (Meyer, Masa, & Zimmerman, 2010).

Child Development Accounts have also been targeted to special populations, such as youth in foster care, or to children in low-income families. The largest of these initiatives, Jim Casey Youth Opportunity Initiative’s Opportunity Passport, is implemented in 11 sites in the United States and provides current or former youth with a matched savings account, with accumulated assets that can be used for costs such as a computer for university studies, a car or housing. Participants receive deposits for completion of financial education training sessions (Peters, Sherraden, & Kuchinski, 2016). An evaluation of 10 sites, with 3,052 youth participants, found an average youth contribution of $1000 (Jim Casey Youth Opportunities Initiative, 2009).
Qualitative interviews of participants identified benefits but also challenges with saving, with highest rates of savings for those who were employed or still receiving foster care benefits (Peters, Sherraden, & Kuchinski, 2012).

Saving behavior and asset accumulation are not the sole benefits of Child Development Accounts. There is limited but compelling evidence that these initiatives can encourage positive psychosocial outcomes. A randomized control trial of a Child Development Account program targeting orphaned youth in Uganda found positive association with participants’ academic aspirations and performance, reduced risk behaviors and reduced depression (Ssewamala & Ismayilova, 2009; Ssewamala, Neilands, Waldfogel, & Ismayilova, 2012). Findings from a randomized control design study of OK-SEED (Saving for Education, Entrepreneurship, and Downpayment), a Child Development Account pilot in Oklahoma, suggest that there can be significant impacts on socio-emotional development. This outcome appears to be mediated through parental behavior, by enhancing parental expectations for their children’s futures and involvement in promoting their children’s development (Huang et al., 2014).

As yet, there have been no Child Development Accounts for children adopted from care documented in the literature, but such an approach offers interesting potential benefits. This approach should add to, not supplant, current adoption subsidies and allowances. Adoption subsidies and allowances reduce financial barriers to adoption and pay for ongoing needs for children, such as school uniforms, school supplies, sports and excursions, which enables lower-income families to adopt without incurring unaffordable expenses. This is important, as children in foster care are likely to be adopted by their foster carers, who may be low income and unable to adopt without a subsidy.

A Child Development Account, on the other hand, would allow for asset accumulation to support a positive launch to adulthood for children adopted from foster care. The government would offer a 1:1 or greater match to contributions by the adoptive family or others who care about the child, up to a maximum amount per year. In terms of their contribution, adoptive families could choose to save a portion of the adoption subsidy. This would allow the funding to be saved “for a rainy day” for their
children, if costs associated with the child’s needs did not consume the full subsidy. This keeps the focus of the subsidy on the child’s needs and allows for asset accumulation when possible.

The focus of a Child Development Account for children adopted from care would be to support the adopted youth to transition to adulthood. In the majority of cases, this would likely be to support the costs of higher education or entrepreneurship, to set up a small business. There are potential psychosocial, as well as material, benefits for this arrangement. Knowing that the child has assets to support the transition to adulthood can elevate aspirations for the future, providing a positive counter-narrative to the negative early history that resulted in the child being in foster care. This may help sustain the adoptive relationship, by encouraging hope and positive aspirations in the parent, which are then transferred to the child, as per the Oklahoma pilot (Huang et al., 2014). Having the means to positively support the transition into adulthood may also act as an incentive and support for older child adoption. In addition to having this “parachute” to launch the adopted youth into education, training or entrepreneurship, the Child Development Account could also function as a safety net. For cases where there is a serious need for services that cannot be met through universal services such as public health and mental health care systems, assets could be used to privately pay for services that can help to heal trauma and promote psychological healing.

Conclusion: Investing in Positive Futures

Child Development Accounts for children adopted from care could support a positive launch to adulthood for children who have experienced abuse and neglect. These assets could be used to support the costs of education or entrepreneurship as well as promote hope and aspiration. For those who need more extensive post-adoption services, the assets could serve as a rainy day fund if needed, allowing adopted youth to access the services they need for psychological healing. Were these children to remain in long-term foster care, they would incur higher direct costs associated with foster care payments and services, as well potentially indirect costs associated with poorer outcomes in adulthood. These social savings can be reinvested into their future, by providing assets that can promote positive outcomes in adulthood. As Midgley (2018)
points out—assets store resources, investments produce returns. By storing some of the cost savings associated with adoption from foster care into assets that could be used for the child’s future, these resources can be turned into investments that produce positive life and even intergenerational returns.

In addition to financial arguments, there are moral arguments to be made for Child Development Accounts for children adopted from foster care. Once adopted, the social norm is that the child is part of the family and no longer the direct responsibility of the state. Yet, while these children now have a “forever family” through adoption, that does not erase the hardship associated with their experiences of abuse and neglect, nor does it eliminate the state’s responsibility in promoting equitable outcomes for this group. Before they were adopted, the state held parental responsibility for these children. Creating Child Development Accounts for children with foster care backgrounds would fit into a normative view of good parenting, which is to ensure children’s long-term well-being through assisting them to achieve education goals and being able to access services if needed. This is a promise that governments can make to all care leavers, defined as adults who spent a portion or all of their childhood in state care (Care Leavers’ Association, 2013). Such a policy would be consonant with a capabilities approach that seeks to build human and social capital (Sen, 1993).

To move from concept to reality, a Child Development Account for children adopted from care would require a receptive political context and likely a “policy entrepreneur.” In the U.S., the concept of Individualized Savings Accounts has “diffused” to 39 states to become part of federal policy through the Assets for Independence Act. Grinstein-Weiss et al. (2008) credit this success in part to policy entrepreneurs, who helped policy makers appreciate the link between welfare policy and asset building to help low-income families get out of poverty. A related message about promoting aspiration and positive life outcomes for adopted youth who experienced a challenging start to life could be an effective framing to encourage Child Development Accounts for adoption. Piloting this approach as a randomized control trial would allow for building an evidence base to test effectiveness. Such research could include cost-benefit analyses to compare the costs with the ultimate benefits of these social investments.
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Financial Capability as Social Investment

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People are increasingly part of a complex landscape of financial transactions, services, and institutions across nearly all realms of everyday life. They face an often confusing array of choices of products, and the consequences of those choices can both reflect and exacerbate social and economic inequalities. In response to these contemporary conditions, there are global efforts to increase peoples’ financial capability, which is composed of the interrelated concepts of financial literacy and financial inclusion. The term financial capability includes a person’s ability to act (knowledge, skills, confidence, and motivation) and his or her opportunity to act (access to quality financial products, services, and policies). As such, financial capability efforts can be considered a social investment strategy, as the aims are to invest resources in communities to promote social and individual well-being. This paper provides what the authors see as the current state of the art regarding financial capabilities through a series of short case studies that exemplify the most current efforts across the globe.

Key words: financial capability, financial inclusion, social development, social investment
Technology and globalization have impacted the financial lives of people around the world, with complex banking, savings, insurance, and asset-building schemes permeating the spheres of everyday life. As such, the ability of people to function has become more and more dependent on financial services. In the past, people's financial lives were somewhat simpler and less tied to market-based financial services. Financial transactions could be done with cash, people were more likely to have a pension from their job that would supplement social security retirement income, and a good credit score was not necessary to rent an apartment or get a job. Today, all of this has changed. Families have been thrust into complex worlds of finance that require considerable knowledge and management, and for families are poor, any mistakes can be detrimental to their livelihood.

Despite these challenges, there are advances in financial services that make some aspects of managing financial life somewhat easier and more productive. For example, the widespread availability of automated teller machines (ATMs), mobile banking, automatic deposit availability, and debit cards that can be loaded with benefits can streamline the ability to access resources. In fact, it is now possible to pay bills, access bank accounts, manage finances, and even run a business without a brick-and-mortar investment.

The challenges and benefits of these financial services advancements are unevenly experienced. The consequences of growing financialization and inequality are especially serious for people who are financially vulnerable. Financial vulnerability, which can be broadly defined as threats to financial well-being, including income and wealth poverty, financial exclusion, and low financial literacy, is widespread across the globe. To address financial vulnerability, social workers aim to build financial capability, a goal that includes both the ability to act (knowledge, skills, confidence, and motivation) and the opportunity to act (access to quality, appropriate, affordable and fair financial products, services, and policies). The American Academy of Social Welfare and Social Work considers building financial capabilities as one of the top goals for the profession for the 21st century (Sherraden et al., 2015).

This paper presents the current state of financial vulnerability and capability in a global context and examines the concept
of financial capability using the lens of the social investment approach (Midgley, 1999). It examines policies in three diverse countries that illustrate strategies for building financial capability. Finally, it discusses implications regarding the interplay between social investment and financial capability.

Global Indicators of Financial Vulnerability

Large swaths of the world’s population are financially vulnerable. Although numbers are highest in the Global South, large numbers of people in nations around the globe live in poverty, lacking sufficient income and wealth to subsist from day to day and provide future opportunities for their children. They also lack access to financial services, limiting their ability to save money safely, borrow on good terms, insure their valuables, and invest productively. The following sections outline global indicators of financial vulnerability: poverty, large numbers of unbanked persons, and low levels of financial literacy.

Poverty

Poverty can be conceived of in at least three ways: in an extreme form, in a relative form, and in a multidimensional form, each with commensurate measures. In 2013, it was estimated that one in ten people lived in extreme poverty, which is a global standard of under approximately two U.S. dollars per day (World Bank, 2016). Even in wealthy countries, such as the U.S., 1.5 million adults and 3 million children live in extreme poverty (Edin & Shaefer, 2015). Outside the United States, welfare states measure poverty in relative terms, i.e., an income comparison that is relative to others in the same society. The European Union (EU), for example, has established a poverty line that defines a family as poor if they earn less than 60% of the median income within a given country. By this measure, 17.3% of EU residents are income poor (Eurostat, 2017), and this risk of such poverty varies only slightly by region of Europe (Iacovou, 2013). Using the Multidimensional Poverty Index (MPI), which has been created to measure acute and overlapping deprivations in such areas as health, education, and standard of living, the United Nations estimates that nearly one-third of the global population experiences such poverty (United Nations, 2016).
Large Numbers of Unbanked Persons

In a financialized global society, it is becoming a necessity to have a safe place to store money, be able to access it, borrow against it, and invest it. According to the World Bank, 38% of the world’s population did not have a bank account in 2015 (Demirguc-Kunt et al., 2015). The percentage of banked or unbanked people within each country varies extensively around the world; while 94 percent of adults reported having an account in high-income countries which are members of the Organization for Economic Cooperation and Development (OECD), only 54 percent of the adult population had an account in developing countries (Demirguc-Kunt et al., 2015). South Asia (31%) and East Asia/the Pacific (24%) together constituted 55% of the world’s unbanked adults (Demirguc-Kunt et al., 2015, p. 59). Of those that do have a bank account, 15% rarely, if ever, use it (Demirguc-Kunt et al., 2015). Not surprisingly, across the globe, people with low incomes, women, and those with low education are least likely to have and use a bank account (Demirguc-Kunt et al., 2015; Honohan & King 2012).

Low Levels of Financial Literacy

According to the Global Financial Literacy Survey, about two-thirds of people in the world lack financially literacy, and lower socioeconomic status was strongly associated with financial illiteracy (Klapper et al., 2015). Carried out by Standard & Poor Ratings, this survey provides the largest and the most comprehensive global statistics of financial literacy based on interviews with more than 150,000 adults across 148 countries (Klapper et al., 2015). It defined a person as “financially literate” when the respondent correctly answered at least three out of the four basic financial concepts: knowledge of interest rates, compound interest, inflation, and risk diversification. Similar to what has been found for financial inclusion, gender, age, income and education disparities in financial literacy rates also exist, with more men, working-age adults, middle and upper-income people, and those with higher levels of education being more financially literate. High-income OECD countries outpace non-OECD countries in this measure of financial literacy, at 65% and 25% respectively (Klapper et al., 2015). In an international assessment of financial
literacy of teenagers in 15 countries on financial knowledge and the ability to apply it, it was found that about two-thirds did not know how to manage a bank account, 25% could not make simple financial decisions regarding daily spending, and 90% could not comprehend more complicated financial concepts, like income tax (OECD, 2017). The highest scores in this financial literacy test were earned by students in China, Belgium, Canada, and the Russian Federation, the lowest were in Chile, Peru and Brazil.

Poverty, large numbers of unbanked people, and low levels of financial literacy pose a serious concern, especially against the backdrop of increasingly complex financial systems that necessitates both institutional connection and keen navigation skills. Such economic and financial insecurity in nations around the world is a threat to the well-being of families and calls for a thoughtful, informed, and achievable response. We turn to social development theory, and the social investment approach specifically, for guidance in tackling widespread financial vulnerability.

Social Development and Social Investment

Social development and social investment occupy the same social welfare policy paradigm, one that seeks productive social change in lieu of maintenance-based welfare arrangements (Midgley, 1999). Social development, rooted in the Global South’s struggle for independence, seeks to fuse industrial investment with local participation to achieve economic growth and social well-being. According to James Midgley (2014), social development is “a process of planned social change designed to promote the well-being of the population as a whole within the context of a dynamic multifaceted development process” (p. 13). Such change efforts have many dimensions, and include economic, social, political, cultural, environmental, and gender dimensions. The social development approach rests on the three foundational axioms: i) institutions facilitate and support harmonization between social and economic activities; ii) resulting sustainable policies and programs are created that directly improve well-being; and iii) these social policies and programs contribute to economic development (Midgley, 1995). While the theoretical underpinnings of social development encapsulate a range of normative perspectives and ideologies,
Midgley suggests a “pluralistic normative conception that accommodates the role of diverse institutions, including the family, market, community and state, as well as different agents and practice strategies” (Midgley, 2014, p. 16).

In this way, social development is distinct from a conventional approach to social welfare, which is based on consumption of resources and tends to focus on remedial and maintenance functions, without expectation of individual payoff or social reward. The social development approach, in contrast, is productivist, meaning that it harnesses the power of institutions to devote resources toward the development of individual, community and social overall well-being now and in the future (Midgley, 2010). For example, a social developmentalist approach to mental health would go beyond case management and other traditional mental health interventions, and incorporate community development efforts, like social enterprise development, into treatment (Caplan, 2010). Such a strategy has returns beyond the alleviation of individual symptoms, and serves also to build human capital and strong communities. In other words, as Midgley (2014) describes it, “social development practice is distinctive because it links social, economic and other activities, stresses the role of social investments and enhances people’s participation in development” (p. 65).

Social investment is a term that has myriad meanings, depending on the discipline or orientation of the context in which it is used, and is considered both a policy approach and distinct set of interventions (Midgley, 2017). Some scholars have proposed a concise conceptualization that social investment is a set of efforts that develop human capital and promote full employment (Deeming & Smythm, 2015). Midgley has proposed that social investment be defined as a way to allocate resources that generate a return vis-à-vis social, community, family, and individual well-being, and therefore contributes to the overall development of society (2017). As such, social investments are foundational to social development practice, and can be thought of as the vehicles to express the productive nature of social development (Midgley, 2014). Such interventions can take the form of education, training, and technical assistance, or take the form of a transfer of resources, such as cash payments or pensions, as these can generate human capital returns as well as economic outcomes for the whole community (Midgley, 2014). Unlike
neo-liberal approaches to social welfare that engage the market as the primary conduit of services (Caplan & Ricciardelli, 2016), the social investment approach emphasizes the strong role of the public sector in human capital development (Deeming & Smythm, 2015).

Finally, Midgley (2017) insists that neither social development nor social investment is a process that has been incubated or should be centered in developed economies of Western Europe, the United States, and East Asia. The roots of social development have been firmly grown in the Global South, and while many European social policy stakeholders have espoused social investment, it is by no means exclusive to that part of the world. As will be shared, the Global South has much to offer regarding these approaches in terms of financial capability.

Financial Capability as Social Investment

We would like to propose that financial capability is a social investment strategy within the larger social development framework. Conceptually, financial capability shares a philosophical orientation with social development, namely that both aim to harness institutions to invest in human capital endeavors, improve access to opportunities, and change social institutions for the purpose of social, community, family and individual well-being. The twin foundations of financial capability are financial inclusion and financial literacy (Sherraden, 2013). Financial inclusion describes the extent to which people are connected to mainstream financial institutions and policies, including banking, credit, saving and investing, insurance, and so forth. Financial literacy describes the knowledge and skills to make informed financial choices. Financial capability incorporates what individuals know and can do (agency) along with their real access to financial services, policies, and other opportunities. This definition builds on the work of philosopher Amartya Sen (1999) who advanced the idea that capabilities provide the freedom to achieve certain levels of functioning, such as financial well-being. In capability theory, functionings are a combination of an individual’s ability to act, along with the individual’s opportunity to act (Sherraden, 2013). Capabilities have both individual and social dimensions, or put
sociologically, encompass both sides of the agency/structure debate. In financial capability, agency is located in individual ability, such as the ability to save and plan for the future. Structure is located in access to financial services, community supports, and social and economic development policies that make it possible for people to act in their best interests (Johnson & Sherraden, 2007). In other words, financial capability captures the nature of the interaction between individual and social structure (Sherraden, 2013), which resonates with the field of social work’s “person-in-environment” foundational perspective for practice (Green & McDermott, 2010; Karls & O’Keefe, 2008).

In social work, the focus of financial capability is on improving well-being in low- to moderate-income (LMI) and other vulnerable households. This involves change at individual, organizational, community, and policy levels. While improved financial literacy can help people navigate an increasingly financialized world, this is often not enough to ensure financial stability and well-being of vulnerable households (Banerjee, 2016; Sherraden & Ansong, 2016). In fact, a singular focus on financial literacy without simultaneously developing opportunity structures may be harmful (Sherraden & McBride, 2010).

The two main ways to achieve financial capability are to: (1) expand financial inclusion; and (2) improve financial literacy. Examples of financial inclusion efforts include lowering service fees, using new financial technology (such as mobile banking), facilitating program participation, integrating financial and social services, and creating new policies and institutions that enable financial capability and asset building in LMI households (Huang et al., 2015). A range of policies have been proposed to build financial capability and assets in LMI households in developed and developing economic contexts, including lifelong asset building through universal and progressive accounts (such as Child Development Accounts), elimination of asset limits for public assistance, and professional education for improving financial capability in vulnerable households (Huang et al., 2016). In developing economies, proposals also include access to livelihood opportunities, micro insurance, and other financial capability and asset building opportunities. Examples of approaches to improving financial literacy include lifelong financial education, financial coaching and counseling and other efforts to increase people’s financial knowledge and skills.
Although the focus of financial capability is on financial well-being, the social and community implications are far-reaching. For example, when parents have secure financial lives, they can provide an adequate standard of living for the family, including good nutrition, housing stability, access to education, and other advantages. With these strengths in place, communities grow stronger. Simultaneously, financial capability approaches are developmental, in the sense that these investments enable families to contribute to their own and their children’s current stability as well as future development.

State of the Art: Financial Capability as Social Investment in National Policy

In this section, we offer three examples that aim to improve the financial capability of vulnerable populations. Spanning less- to more-developed economies, we focus on six countries that have used distinct approaches, and each demonstrates a different approach to social investment. The first is YouthSave, a bank-based initiative in four countries that offered low-cost savings accounts and financial education to youth who are largely outside the financial mainstream. The second is Prospera, a conditional cash transfer program in Mexico that offers low-income families a small cash grant with certain conditions on beneficiaries. The third is the Consumer Financial Protection Bureau, created in the wake of the 2008 economic recession, to protect and equip U.S. consumers to manage their increasingly complex financial lives.

YouthSave

YouthSave tested the potential of savings accounts to contribute to youth development and financial inclusion in four developing countries, Colombia, Ghana, Kenya, and Nepal between 2010 and 2015. Over four years, banks in each country opened savings accounts for more than 130,000 underserved young people, ages 12 to 18 years old. Researchers in each country analyzed demographics and savings patterns, and an experiment was conducted in one country (Ghana) that tested impacts of youth savings accounts on savings and development outcomes for youth and their households.
Despite different levels of development, all four countries lack avenues for youth development. Colombia is a middle-income country with a long history of civil conflict, and although it experienced growing prosperity and security in recent years, there are high rates of unbanked persons. Nepal, one of the poorest countries in the world, has suffered from civil conflict and low economic growth, severely limiting economic opportunity for young people. Kenya is a pioneer in financial inclusion, having achieved near universal mobile phone access, but its youth, particularly in rural areas, have low access to livelihood opportunities. Ghana, the experimental site, has experienced economic growth, but rural and impoverished youth in particular have few economic opportunities. In some countries (Nepal, Ghana, and Kenya), age restrictions on financial account holding also are major barriers to financial inclusion.

The YouthSave initiative demonstrated that improved financial services designed to target a vulnerable and difficult to reach youth population lead to successful account opening and saving (Chowa et al., 2015; Johnson et al., 2015). Based on bank data for the 69,247 youth who opened accounts, YouthSave participants accumulated the equivalent of approximately $1.8 million in savings in the 8 to 13 months their accounts were open. The difference by income in amount of savings was not statistically significant except in Ghana, where poorer youth were more likely to be lower savers (although this difference went away after an account had been held for 12 months or longer). Savings rates vary by several key factors, and it appears to matter that parents are involved. For example, younger youth (under 13) save more, probably because they have fewer expenses and they receive financial help from parents. Youth save more when parents are co-signatories on the account, probably because their parents encourage and contribute to saving.

Study results also point to the important role of institutions in saving. When banks and other institutions make explicit efforts to reach diverse groups, they reach particularly underserved populations, such as girls and lower income youth. Commitment by financial institutions in both Nepal and Kenya to reach out to girls’ schools, for example, led to a 9% and 15% increase in female participation, respectively (Johnson et al., 2015). Another successful institutional strategy—outreach to low-income youth through schools and youth-serving organizations, and
in-school banking opportunities—encouraged participation of low-income youth and girls (Johnson et al., 2015; Lee et al., 2015).

Policy changes also matter. For example, relaxing the rules about when youth can legally open a savings account increased account openings. A bank’s willingness to allow a “trusted adult” to cosign on the account not only facilitated greater opportunity for youth participation, but also encouraged greater involvement and support of those in the youth’s social network. In fact, a majority of youth who opened accounts in Ghana and Kenya did so with a nonrelative as cosignatory because the account opening rules were relaxed (Johnson et al., 2015).

Nonetheless, despite the initiative’s many successes, average savings balances were low and there were many dormant accounts. About 60% of accounts showed no account activity in the last six months of the study. This suggests the importance of incorporating incentives and facilitating access, perhaps through electronic access. The study results also suggest that encouraging savings from an early age, helping youth to set goals for their savings deposits, and restricting withdrawals are also strategies that may stabilize and increase savings (Johnson et al., 2015). More could be done by parents, schools, communities, and by policy makers to support and encourage youth participation in financial services (Johnson et al., 2015).

Both Kenya and Ghana, for example, moved forward on a national policy agenda for financial education in schools. This direction offers a potential foundation for expanding financial capability through school-bank partnerships. As one parent noted: “When [my son] told me [about the policy change], I was very happy. I was very excited that this bank is doing savings accounts for the young ones. They have a good plan for the children of the nation or the children of the world” (Johnson et al., 2015, p. 69).

Prospera

In 1997, the Mexican government created Progresa—which later became Oportunidades and now is called Prospera—in order to supplement household income and improve health and education outcomes of the poor (Adato & Hoddinott, 2010). It is one of the world’s first and largest conditional cash transfer (CCT) programs. As Mexico’s largest antipoverty program, Prospera
absorbed several prior social welfare and nutrition policies. This policy is credited with helping to reduce Mexico’s notoriously high income inequality during the first decade of the 21st century (Lustig, López-Calva, & Ortiz-Juarez, 2013), although the recession took a toll on this improvement.

Prospera, which reaches approximately 6.5 million families, provides small monthly cash grants for expenses, including education. Financial support is accompanied by a condition, or what the program calls a “co-responsibility,” that families seek basic health and nutrition care, and schooling for children (Prospera, 2017). Rigorous research on this approach in Mexico has demonstrated positive impacts on well-being, including education, health and nutrition status, (De Janvry, Finan, Sadoulet, & Vakis, 2006; Levy, 2006). Nonetheless, there are design and implementation problems that limit the program’s potential, such as barriers in quality and availability of services, and discrimination (Adato & Hoddinott, 2010). In addition, some critics cite use of coercion in CCTs as well as paternalistic tendencies (Handl & Spronk, 2015; United Nations, 2012).

In 2015, what originally was a social welfare program that boosted incomes and improved human capital in poor households, Prospera intentionally built financial capability. Joining a worldwide trend, President Peña Nieto announced a financial inclusion strategy to expanding access to and use of financial services with Prospera playing a key role in achieving this strategy. Since its inception, beneficiaries’ funds had been transferred using a prepaid card from the Banco del Ahorro Nacional y Servicios Financieros (BANSEFI), but few beneficiaries used the available savings accounts to store their funds. Noting a lack of financial knowledge and skills (Reddy, Bruhn, & Tan, 2013), Prospera’s focus expanded to include deliberate efforts to bring beneficiaries into the financial mainstream and increase their financial capability.

As part of an expanded financial capability agenda, Prospera offers: (1) a prepaid card or debit card and a no-fee savings account; (2) small loans up to $100 at less than 10% interest and without commissions for 18 months; (3) free insurance for accidental death and funeral assistance up to $750; and (4) financial education on managing financial accounts, growing savings, and avoiding unnecessary debt (Gris Legorreta, 2016; Prospera,
Financial education is integral to Prospera, emphasizing human capital development in youth.

There is still a long way to go before CCT recipients who receive transfers directly into a savings accounts can be considered financially included. Program beneficiaries receive a banking card linked to a bank account, but still a small minority are effectively banked and most receive sealed envelopes with cash at predetermined dates and locations (Faye & Niehaus, 2015). Half of beneficiaries or more do not know that their payment is associated with a bank account, and many more lack direct access and experience with a bank, so most take the full amount instead of leaving some to accumulate in savings (Chiapa & Pri- na, 2015; Hart, 2017).

The potential for financial inclusion of vulnerable households, however, is great. Most Mexicans own mobile phones, including half of the population that owns a smartphone. Nonetheless, less than 10% of those with bank accounts have mobile banking services associated with them (Riecke, 2016). Prospera, and other CCTs, give mothers, the primary focus of this policy, control over money and a sense of security, and may increase their decision making role in the household (Sholkamy, 2011; Trivelli & de los Rios, 2014).

The Consumer Financial Protection Bureau

In the United States, following the financial crisis of 2008, the Consumer Financial Protection Bureau (CFPB), located administratively within the government, was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The law aims to “make consumer financial markets work for consumers, responsible providers, and the economy as a whole” (CFPB, para. 1, n.d.). The mission of this independent government agency is to enforce laws protecting “consumers from unfair, deceptive, or abusive practices” by unscrupulous companies (CFPB, para. 6, n.d.). It also seeks to empower and educate consumers by arming them with “the information, steps, and tools that they need to make smart financial decisions” (CFPB, para. 1, n.d.). The Bureau pays special attention to the financial circumstances of four groups: students, older adults, military service members, and low-income and financially vulnerable people.
To provide protection from hazards associated with some financial products and services, the CFPB writes rules, collects complaints, monitors compliance with federal consumer financial-protection laws, and issues research reports. It reviews the private market’s compliance with federal laws and regulations governing financial products. It also brings legal actions against companies that defraud consumers (CFPB, 2014). Overall, between 2011 and 2017, the CFPB received more than 1.2 million consumer complaints, with most complaints relating to debt collection (27%) and mortgages (23%). The organization has generated about $12 billion for 29 million people who were harmed by financial institutions such as credit card companies and banks (CFPB, 2016). A recent arbitration rule change makes it easier for consumers to file a suit against a financial service provider (CFPB, 2017), which strengthens the advocacy power of the CFPB. Rulings on mortgage lending aimed to reduce risks that led to the 2008 financial crisis and led to loss of homes by many vulnerable consumers. These actions protect homeowners from borrowing mortgages they cannot afford, and against mortgage, title, and real-estate companies that violated laws (CFPB, 2013, 2015a).

The CFPB also conducts research. For example, it issued a report on expensive bank account overdrafts (CFPB, 2013), and another on the 26 million U.S. adults who are “credit invisible” (i.e., lack a credit record) (CFPB, 2015b). It produces guides for consumers on using financial services and avoiding fraud and scams. In addition, the CFPB invites feedback from the public, particularly on subjects relevant to financially vulnerable families, including complaints about financial products (CFPB, 2017).

Finally, the bureau educates the public and practitioners who work with vulnerable populations on financial management. It developed a curriculum, *Your Money, Your Goals*, which provides tools for social service providers to increase sound financial decision making in financially vulnerable families (CFPB, 2015c). It also issued special toolkits for practitioners working with people living with disabilities, Native Americans, service members and their families, students, youth and older adults, the economically vulnerable, and others.
Implications for Social Investment

The policies presented here have implications for a wide range of stakeholder groups in the field of social welfare, and provide insights into how financial capability approaches fit within a social investment framework. While all three approaches combine social and economic development strategies, they differ in other important ways. The most conventional of these is Prospera, which combines traditional social welfare approaches with financial capability. It highlights the potential of government-to-person programs to expand financial capability. In Prospera, the government is making substantial social investments in its poorest citizens by combining cash payments (income), social and health services, financial accounts, and financial education. These investments are helping to sustain families, and at the same time, increase women and children’s human capital. However, implementation barriers limit the asset building potential of Prospera, which must be addressed in order to make the accounts a digital “gateway to help them save, build assets and achieve greater financial inclusion” (Hart, 2017, n.p.). The government-sponsored Prospera is quite literally investing in people via the conditional cash transfer program, and such strong institutional backing is one of the hallmarks of the investment approach. Cash transfers mean increased income, human capital development in health, education, financial inclusion, and financial literacy, and by adding financial inclusion to the policy, this serves to broaden their scope of improving family well-being.

YouthSave promotes social and economic development by providing underserved and vulnerable youth in less developed economies an opportunity to be financially included. As mentioned previously, the global study on teenagers’ financial literacy revealed that “parent support” was not enough to erase the association between low socioeconomic status and low financial literacy, prompting the OECD (2015) to advocate for a stronger institutional role. Publicly-backed participation in the financial mainstream through a bank savings account gives youth a safe place to store money for short- and long-term purposes, and a way to build financial capability. The short trajectory of YouthSave, however, did not permit researchers from documenting
longer term developmental outcomes that may occur as a result of being “banked.” Moreover, YouthSave did not reach the poorest of the poor in any of the four countries, suggesting that other strategies, such as reaching people through traditional social welfare programs and financial digitalization, are required to reach this population (World Bank, 2017).

The CFPB promotes social and economic development in its work to regulate and develop safe and affordable financial products that promote financial stability and security, and promotes social development through financial education and guidance for vulnerable groups. Safer and cost-effective financial products and services, along with financial education and guidance, can improve the ability of financially vulnerable households to manage household finances effectively. However, threats to CFPBs future and other erosions of institutional support of financial capability may limit the impacts of this social investment strategy.

Finally, the CFPB is an example of a public response to the Global Financial Crisis of 2008, with the goal of promoting both financial inclusion and financial literacy. Political will was a determining factor in the establishment of the CFPB, but as of this writing, the U.S. Congress has passed legislation stripping the agency’s ability to regulate predatory loans (HR 10, 2017). The extent to which the political will to regulate financial institutions exists in nations across the globe remains to be seen.

Future Directions

The social investment approach harmonizes the conflict between conventionally held notions of the drag of social welfare and the boon of economic development by harnessing human creativity and institutional support to invest in human capital, promote social capital formation, and remove barriers to economic participation by people who are poor and/or marginalized (Midgley, 1999). As described in the three case studies earlier, global efforts to build financial capability clearly address such a charge.
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References


Human Rights-based Social Investments

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Human rights provide a normative framework for social policy. Social investments are required for a state to realize the rights of its people. For example, the human right to health requires a well-funded system of health care infrastructure with a well-trained workforce of health care professionals. However, the implications of human rights for social development policies have not been examined. This paper attempts to fill in this gray area by exploring a rights-based approach to social investment. Human rights-based approaches to poverty, health, mental health, child welfare, and older adults are analyzed for their implications for social investment policy proposals. This paper provides underpinnings for human rights-based arguments for social investment policies, adds specificity to rights-based proposals, and furthers the connection between human rights and social development.

Keywords: human rights, social investment, social development policy

The tradition of democratic political systems supporting economic growth and progressive increases in people’s welfare is at risk. Growing and glaring inequality has exacerbated peoples’ discontent with their standards of living. Corruption, both real and perceived, has shaken people’s faith in their political, economic, and social institutions; many of these institutions are facing crises of legitimacy. Nation states and international legal and political order based on liberalism, rule of law, and human rights are under siege.

Events such as the 2008 global recession and the current global refugee crisis have reinforced the fear that people have little control over their lives and no guarantee of a stable economic future. People have lost faith in institutions that have shaped the architecture of social welfare for generations. These
doubts have contributed to a populism that has destabilized politics in the United Kingdom through the Brexit vote from the European Union and in the U.S. through the successful Trump Presidential campaign. In the worst cases, such disenchantment can push people towards violent extremism, whether religious, ethnic, or nationalist.

These and other threats have imperiled the promise of Western democratic institutions managing economic growth and social progress. Social policy arrangements such as the welfare state have been a tradition for more than one hundred years, and have sought to mitigate negative economic cycles and social dislocations. Strong and effective social policies are required to build and maintain a foundation for social welfare, defined as a society's ability to manage social problems, meet human needs, and increase people's opportunities (Midgley, 1997). Innovative policy solutions are required if the tradition of social welfare policy is to survive.

Human rights can provide an innovative and normative framework for social policy. The normative framework of human rights represents international consensus regarding the behavior of nation states and specifically their responsibility to their people’s social development. Fulfilling peoples’ human rights requires programs, goods, services, and assets, and therefore calls for significant social investment. For example, the human right to health requires a well-funded system of health care infrastructure with a well-trained workforce of health care professionals. However, the implications of human rights approaches for social investment policies have not been examined.

The human rights paradigm has been criticized as being idealistic, unenforceable, and expensive to realize. How can such lofty aspirations be implemented in a practical manner? Who pays for human rights? Does one person’s rights as a human obligate someone to pay for them? This paper attempts to address these concerns by examining the concepts that intersect the fields of social development and human rights and then presenting a rights-based approach to social investments. Several key areas of mutual priority between social development and human rights are explored, including poverty, health, mental health, child welfare, and older adults.

In doing so, this paper seeks to draw closer the connection between a human rights perspective and social policy.
This effort provides underpinnings for human rights-based arguments for social policies for asset-building and social investments. This paper furthers the human rights discourse by adding specificity to rights-based proposals, and it advances the social development literature through its application of international human rights standards.

Social Development and Human Rights

Social development shares common ground and parallel priorities with human rights. Midgley (2007) has theorized that when a society has achieved social development, all members of that society will be able to enjoy their full range of human rights. However, in the past social development and human rights have been treated as distinct; human rights typically focus on political issues, war and violence, and with limiting the scope of oppressive governments. Social development has typically focused on the role of government and its role in policy and funding; human rights are rarely included in formal development policy (Midgley, 2014). Despite this, they both favor increasing nation states’ commitments to promote people’s welfare. Increasingly human rights are being emphasized as relevant to social policy (Gatenio Gabel, 2016). This section draws together relevant concepts and literature related to social investment and human rights and explores areas of overlap and connection.

Social Investments as Social Development

Economic industrialization has driven a process of social transformation that has reproduced and exacerbated inequalities within and between states (Midgley, 2007). Critiques of these negative consequences have led to a reconceptualization of traditional development processes to a broader focus on human development that expands people’s opportunities, choices, freedoms, and capabilities (Nussbaum, 2011; Sen, 1999) as well as social development, which aims to harmonize social and economic policies (Midgley, 2014). Social development argues for greater government responsibility and social planning, including social investments. Social investments are interventions that are productivist, meaning they generate some form of
economic activity, return, or benefit (Midgley, 2017). Developmental strategies such as social investments have been applied to diverse fields such as child welfare, aging, mental health, disabilities, poverty, criminal justice, and homelessness (Midgley & Conley, 2010).

Social investments are required to implement social development (Midgley, 2014). Resources that enable people to be productive and to participate in the market are vital to realize their human capabilities and social development, as well as their rights. Midgley has argued that people’s development can only be manifested through the investment of such resources.

Human Rights and Social Development

Human rights have been identified as the “ultimate goal of development” (Midgley, 2007, p. 114). Human rights are frequently presented in a multi-generational framework (Ife, 2012). In this conception, the first-generation of human rights include civil and political rights, the second-generation refers to economic and social rights, and the third-generation is comprised of collective or solidarity rights. While the second generation is the most direct call for social services and investments and the third generation is usually associated with social development, in fact, all three generations of human rights require investments. For example, the protections included in the first generation of civil and political rights require investments in a judiciary system, civic education, and law enforcement.

These generations are often framed in contrast with the other generations, as if certain sets of human rights are mutually exclusive. In part, this relates to the Cold War where “first world” Western democracies prioritized civil and political freedoms while “second world” Communist bloc countries prioritized social and economic well-being. Both sides criticized the other for violations of their prioritized generation of rights. This division resulted in the splitting of rights into separate conventions: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights. Furthermore, free market advocates have argued that first-generation rights are incompatible with second-generation rights, complaining that government planning and spending on social welfare policies restricts individual liberty (Hayek, 1944).
However, the Universal Declaration of Human Rights (United Nations, 1948) did not divide rights into categories (Wronka, 1998). Human rights were originally conceived as indivisible, with no rights more important than any other (Staub-Bernasconi, 2007). Franklin Roosevelt expressed the indivisibility of rights with his famous Four Freedoms speech, which included the freedom from want along with more typical civil and political rights such as the freedom of speech, worship, and from fear (Roosevelt, 1941). Roosevelt’s freedom from want linked economic prosperity to peace and health.

Androff (2016) critiques the three-generation model, arguing that human rights are holistic and mutually reinforcing. An individual’s political freedom is only meaningful if they can also enjoy an adequate standard of living; political rights can only be exercised if economic and social rights are also being met (Waldron, 1993). Meanwhile, civil and political rights are essential to guarantee individuals’ ability to advocate for the resources necessary to fulfill economic and social rights (Crahann, 1982). Similarly, Polanyi (1944) and others have argued that the market economy depends upon the nation state, including government policy and social investments in people’s welfare. Some have called for welfare states to become more rights-based (Eichenhofer, 2015). Legislative and legal mandates for social policy benefits correspond to individual rights and represent a transition away from needs-based social welfare towards a rights-based welfare system.

*Social Rights, Basic Needs, and Social Planning*

Defined as legal entitlements to social goods such as benefits and services (Midgley, 2014), the concept of social rights was popularized by Marshall (1950), who argued that social rights were the next step following civil and political rights in an evolution of a state’s responsibilities to its people on the basis of their social citizenship. Although social rights have been codified into some national constitutions, governments typically express social rights through systems and policies of social welfare. However, welfare states have retreated under political and ideological attacks that have diminished claims for social rights. In addition to the Western preference for civil and
political rights, this has led social rights to be considered the “neglected human rights” (Staub-Bernasconi, 2007, p. 138).

Social rights have also been called positive rights insofar as they speak to the right to have something: education, housing, an adequate standard of living, and health care. Positive rights are distinguished from negative rights, which are said to entail the right to be free from something: torture, genocide, enslavement, and detention without trial. Negative rights require that responsible actors (duty-bearers) restrain from interfering with others’ rights, whereas positive rights require duty-bearers to provide goods and services. Therefore, positive rights require public expenditures from state actors. This type of government provision of goods and services necessary for people’s human and social development has been an influential aspect of developmental policy, at least since the basic needs approach of the 1970s.

The basic needs approach was developed by the International Labor Organization to redirect international development efforts towards securing the basic physical requirements for sustaining human life (International Labor Organization, 1977; Midgley, 2007). Basic needs were defined as the minimum essential material and non-material goods for an adequate standard of living (Midgley, 2014). These basic needs were considered prerequisites for political and economic participation and for enjoying civil and political rights.

The basic needs approach was mainly implemented through the direct provision of goods and services in the areas of nutrition, health, housing, water, and sanitation. Over time a redistribution of economic resources throughout society was seen as required for meeting everyone’s basic needs, otherwise the impact of direct provision would be limited (Crahan, 1982). It was recognized that such a redistribution depended on the political power structure in a state, and the general population’s political participation. Evidence from the 1970s revealed that a state’s commitment to meeting basic needs and a more equal distribution of incomes were critical to achieving basic needs (Dore & Weeks, 1982). Some have argued that the needs approach is limited due the culturally relative way that needs are defined in such a way that promotes confusion with wants or wishes (Staub-Bernasconi, 2007).
Social rights can also be articulated as targets of social planning (Midgley, 2014). These targets can be part of national development plans, as used in the Global South, or as international plans such as the Millennium Development Goals and the Sustainable Development Goals. There are several benefits of coordinating human rights with social planning. Using social planning to set specific targets that are based on human rights-indicators harnesses the power of state governments, which for all the potential political limitations and corruption, can still hold unique value for mobilizing actors, allocating resources into specific budgets, negotiating stakeholders, and applying technical skills. Incorporating targets tied to human rights can also increase people’s participation. Social investment, when linked to rights through social policy, can carry legal obligations that make the state responsible for respecting, protecting, and promoting human rights. They can empower citizens and offer an important avenue for advocacy (Midgley, 2007). Thus, using the framework and language of rights can strengthen social investments.

Welfare Rights Movement

In the U.S., the welfare rights movement explicitly framed social welfare benefits from a human rights perspective (Watson, 1977). The movement used community organization to advocate for the economic and social rights of poor people (Dean, 2008). The National Welfare Rights Organization organized to resist discrimination restrictions of welfare programs and grew from the larger civil rights movement (Bailis, 1974). Prior to his assassination, Martin Luther King Jr. launched the Poor People’s Campaign that culminated in a protest in Washington D.C. that lasted for six weeks in 1968. The Poor People’s Campaign was influenced by the National Welfare Rights Organization’s focus on economic justice and its linkage of economic rights to civil and political rights, such as democratic participation. These organizations and others worked to pressure the federal government to make increased social investments in welfare benefits to the poor (Piven & Cloward, 1993). Since the 1970s, the movement has not been as visible, although smaller organizations still advocate for welfare rights at the local level, such as the
Kensington Welfare Rights Union and the Poor People’s Economic Human Rights Campaign (Androff, 2016). While the welfare rights movement called for progressive social policies, social assistance in the form of cash benefits is not necessary productivist and does not include investments in human capital. However, social assistance is considered a social right. Some conditional cash transfers allow for benefits to be used for entrepreneurship (Midgley, 2014).

Human Rights-based Approaches

Another way that human rights can be applied to social investments is through the principles of rights-based practice (Androff, 2016). These five principles include human dignity, non-discrimination, participation, transparency, and accountability. They represent a rights-based approach that cuts across subject areas, drawn from the human rights international declarations, covenants, and conventions, in addition to a sizable body of clarifications and recommendations from human rights organizations. Rights-based approaches seek to translate human rights from legal texts into practice. Social investments that represent a rights-based approach should reflect these principles.

Respecting human dignity means social investments that are not stigmatizing, such as through universal eligibility. This also means recognizing policy beneficiaries of social investments as rights-holders and not as needy objects of charity. In a human rights framework, all people are considered deserving. Nondiscrimination means preventing discrimination as well as attending to historically marginalized populations. The principle of participation recognizes the need to change the power dynamics within societies that contribute to inequality, oppression, and poverty. Increased participation, coupled with capacity building and civic education, can yield advocacy and popular support for social investment policies. Transparency highlights the need for research and evaluation of social investments, as well as anti-corruption that has plagued development efforts in the past. Monitoring and evaluation of human rights relies upon human rights indicators, which are similar to social indicators or social statistics, that are often used to gauge and rank nations’ social welfare conditions. The principle of accountability entails holding policymakers responsible for their obligations
to human rights and social investments. This usually entails political and legal advocacy but also may involve public interest litigation as well as making use of the monitoring agencies at the United Nations.

Rights-based approaches can add specificity and definition to the goals of social investments (Midgley, 2007). Another way that rights-based approaches can contribute to social investment strategies is through securing necessary preconditions for social development. Just as plants require rich soil with regular light and watering to flourish, social investments benefit from societal conditions that promote economic growth such as peace, political freedom, and cohesion. Rights-based approaches can also overcome some of the limitations of the basic needs approach (Midgley, 2007). As noted above, proponents of basic needs came to realize that some redistribution of resources is required to be effective. Rights-based approaches can more effectively deal with redistribution, not just of resources, but also of power, through the principles of participation and accountability.

**Progressive Realization of Social Rights**

Nation states are understood to be the primary duty-bearers that are responsible for respecting, protecting and fulfilling their people’s human rights and preventing violations of these rights. Although theoretically everyone is entitled to enjoy their rights and to protect others’ rights, governments have formal and functional responsibilities often expressed through compliance with international law. However, not all states possess the resources to fully implement economic, social, and cultural rights. These states’ obligations towards realizing human rights are circumscribed. This is known as progressive realization, and human rights declarations, covenants, and conventions contain clauses note this expectation. Progressive realization means that states are required to work over time toward full implementation of rights to “the maximum of their availability” (UN, 2008b, p. 13). States’ progress towards human rights is understood to be dependent upon their resource availability.

Progressive realization cannot be used as a justification for states’ non-action on rights until they have sufficient resources; rather they are immediately obligated to take steps towards progressive realization even with scarce resources. The steps that
states are obligated to take immediately generally include non-discrimination, protection from economic and social exploitation, protection of the rights of trade unions, and freedom also for scientific research. Beyond these immediate obligations, states are obligated to take appropriate measures that will begin the process of progressive realization, such as assessment, monitoring, and evaluation of current systems affecting economic and social rights, social planning, including targets for strategies to progressively realize rights, and establishment of complainant and grievance procedures for economic and social rights.

In addition to provision, states may also promote social rights through facilitation and taking an enabling role. Indeed, although social rights are frequently dismissed as being too expensive, civil and political rights require substantial investment, which may be even more expensive (Staub-Bernasconi, 2007). Certainly, some economic and social rights do require resources; however, they also require a set of fairly enforced rules, an even playing field, the prevention of discrimination, and the protection from exploitation. Access to the market place in many ways is just as important as economic benefits and does not necessarily require a major investment of resources to achieve.

Human Rights-based Social Investments

Duty-bearers, including nation-states, are obligated to protect, promote, and prevent violations of peoples’ human rights. This section details how social investments in the areas of poverty, health and mental health, children, and older adults can advance human rights.

Rights-based Approaches to Social Investments to Combat Poverty

Everyone has a human right to be free from poverty, and rights-based approaches understand poverty to be a violation of human rights (Androff, 2016). A rights-based approach to poverty alleviation means social investments in policies and programs that enable people to achieve their economic development. The major social investment policies that promote the human right to be free from poverty are social insurance and social assistance, including asset-based programs.
Social security is identified as a human right in the Universal Declaration of Human Rights, and includes both social insurance policies where beneficiaries make financial contributions, and social assistance policies where benefits are non-contributory, funded by taxes and therefore more geared toward redistribution (UNRISD, 2016). Social protection can reduce poverty, inequality, and social exclusion through this redistribution of benefits and protect people from economic risk due to lack of income due to disability, illness, maternity, unemployment, or old age (UN, 2008c). A rights-based approach to social protection can promote the view that such policies are a social right and legal entitlement rather than a charity or benefit for some undeserving target population (ILO, 2014).

Rights-based policies that represent social investments help support an adequate standard of living. Rights-based approaches to poverty take a multidimensional perspective on poverty, and therefore support social investments in areas such as food and nutrition, housing, health and other social services. A human rights approach also calls for social investments in the area of work, specifically in living wages and sustainable livelihood, and entrepreneurship. This also requires social investments in safe working conditions and protection from exploitation. To support the right to work, social investments should be made in technical and vocational training.

A major area of overlap between human rights and social investment is on the right to development (Sengupta, 2001). Individuals have the right to participate in, contribute to, and enjoy the fair distribution of benefits of the process of development (UN, 1986). The right to development is less accepted by nation states, insofar as it has not yet been codified into a Convention. Nonetheless, the right to development carries with it responsibilities for social investment in a number of areas. The right to development entails equal opportunity for basic resources, education, health care, food, housing, employment, and fair distribution of income. This right also has implications for global systems, such as international fair trade policies, debt-relief, and overcoming disparities in access to technology.

Social investments that prevent people from becoming poor and those that help people to overcome poverty affirm people’s dignity. Universal programs or policies that have universal features promote non-discrimination. Social investment programs
increase peoples’ human capital and therefore their social inclusion and market participation.

Rights-based Investments to Health and Mental Health

The right to health is another broadly established human right with significant implications for social investments. Conceptually the right to health entails the recognition that everyone is entitled to attain their highest attainable degree of health, which is contingent on individual factors (Androff, 2016). The right to health most fundamentally requires essential primary health care (UN, 2000).

However, the right to health care treatments and services is contingent on multiple factors: the availability, accessibility, affordability, and acceptability of care (Wyszewianski & McLaughlin, 2002). The availability of health care refers to the standard of health care that a provider can deliver and resources that are required to deliver that care, such as personnel, facilities, programs, and technology. This requires policies and programs to train and maintain a well-educated health and mental health workforce to work throughout the health care system. The right to available health care should include but not be limited to medication, psychotherapy, ambulatory services, hospitalization for acute care, residential facilities, rehabilitation, vocational training, independent living supports, supportive housing and employment, income support, inclusive and appropriate education, and respite care for caregivers.

The right to accessible health care requires that health care should be community-based and does not exclude or discriminate against any population, especially rural populations and people living in marginalized and socially excluded communities. Discrimination on any grounds, including age, sex, race, ethnicity, religion, sexual orientation, gender identity, national origin, immigration status, physical ability, and financial ability (UN, 2006). This also relates to types of care for which institutionalization was the main mode of delivery. Institutionalization has been recognized to violate people’s human rights; therefore, community-based care, community integration, and care in the least restrictive environment are rights-based approaches to health and mental health care (Hunt, 2005; WHO, 2013; Yamin & Rosenthal, 2005).
The right to affordable care reflects a mixture of the cost of care and the patient’s ability to pay. The right to affordable health care is tied to the right to health insurance, which is specified in the International Covenant on Economic, Social, and Cultural Rights (UN, 1966). The right to acceptable health care relates to cultural competence and the degree to which patients will find their health care to be acceptable relative to their culture, gender, age, racial and ethnic identity, sexual orientation and gender identity, and other factors. Also, the right to health care depends upon that care being of good quality and being medically appropriate (UN, 2000).

Beyond those guidelines for health care in general, the right to health also includes specific types of health care such as reproductive health care and maternity care. For example, The Convention on the Rights of the Child clarifies that essential medical care includes pre- and post-natal maternal care (UN, 1989). The Convention on the Elimination of all forms of Discrimination Against Women specifies that the human right to reproductive health care includes access to contraceptives, family planning services, emergency obstetrics, appropriate services for pregnancy, birth, and post-natal visits, including nutrition and lactation (UN, 1966). This also includes the right to comprehensive mental health and substance abuse services (UN, 2010). The right to health also includes orthopedic and rehabilitation care for people with disabilities; these services can help to achieve their independence, social and community integration, and prevent further disability.

In addition to primary and specialty health care, the right to health includes the right to preventative health interventions. Preventative health encompasses vaccinations and immunizations that prevent the spread of disease. Regular health screening, early detection and diagnosis, and early intervention can prevent many health conditions. Prevention of mental disability requires social investments that support behavioral interventions, sustainable lifestyles, wellness practices, holistic and integrative care (UN, 2010).

Primary prevention, such as health education and awareness-raising campaigns, is also a health-related human right. The right to prevention also includes the prevention of harm from injury and accident. This aspect of the right to health requires social investments that protect populations from
exposure to hazards such as radiation, chemicals, and which regulate and monitor working conditions in industrial worksites. Primary prevention also should address the multidimensional aspects of ill health such as poverty, employment, family cohesion, discrimination, and trauma. All forms of violence should be prevented, from intimate partner violence and bullying to civil conflict and terrorism.

The right to health involves more than just health care, but also supportive services and education. The International Covenant on Economic, Social, and Cultural Rights also specifies the rights to health education, information, and supportive social services (UN, 2000). The Convention on the Rights of People with Disabilities also holds access to social services as a key right to health (UN, 2006). Health-related education should cover important topics such as nutrition, sanitation, children’s health, breastfeeding, first-aid and injury prevention. Social investment policies should support early childhood education, sex and reproductive education, healthy and consensual relationships, and evidence-based stress reduction and stress management programs. In addition to education on specific health-related topics, the right to health entails access to the benefits of scientific and medical discovery, research, progress, and technology.

Health education also means awareness raising efforts to combat stigma. People with health disorders and disabilities suffer from social exclusion, discrimination, and stigma, which compromise their health, well-being, and their access to health care. Stigma, for example of people with HIV, mental disability, or substance abuse disorders, negatively affects their right to health and other human rights such as the right to housing or work. The Convention on the Rights of People with Disabilities obliges states to educate against negative stereotypes and prejudices (UN, 2006).

The right to health also recognizes that everyone’s health also depends upon several underlying conditions. These include clean and potable water, minimum essential and nutritious food, sanitation, safe housing and shelter, safe working conditions, and the absence of violence (UN, 2000; WHO, 2013). These factors, the underlying conditions of health, are similar to what have been called the social determinants of health, in that they point to environmental factors that influence health,
as well as social factors related to disparities in ill health and in unequal access to health care treatment and resources (WHO, 2008). This perspective also points to fundamental patterns of inequality and oppression that affect health.

In order to achieve all these aspects of the right to health, nation states are required to implement national health plans, budgets, policies, and programs that positively contribute to their people's enjoyment of the right to health (Androff, 2016). States are required to progressively realize the right to health according to their available resources and to take immediate steps to reduce and prevent discrimination in health care, including ending health disparities. Rights-based principles of human dignity and nondiscrimination require universal health care policies in order for people to enjoy their right to health. To promote the right to health, significant social investment is required in a robust health infrastructure, including in community-based and rural settings, a highly trained and educated workforce, and research and discovery in health fields and technologies. Social investments in specific health services should be complemented with prevention programs and health education. Since fulfilling the right to health is linked to people's fulfillment of their basic needs, social investments in water, food, shelter, and a sustainable environment are necessary. This includes work place safety, regulation against pollution and environmental degradation, and extends to how the built environment and environmental conservation can promote healthy lifestyles.

Non-governmental organizations, or NGOs such as Basic-Needs, demonstrate how to utilize a developmental and social investment strategy to promote the right to health (Androff, 2016). BasicNeeds employs people with mental disability in a sustainable livelihoods program where they have the opportunity to learn budgeting and other skills that facilitate their financial independence and economic participation. For example, in Sri Lanka, BasicNeeds employs formerly institutionalized people who struggle to integrate back into their communities on horticultural farms doing agricultural work. Similarly, Basic-Needs Kenya works with rural impoverished people with mental disability to connect them to community mental health services and social investment strategies that yield a sustainable livelihood such as making clothes, jewelry, and raising poultry or dairy animals.
Rights-based Approaches to Social Investment for Children and Older Adults

There are two groups of people whose human rights have been highlighted as requiring special consideration and protections due to their age: children and older adults. The rights of children have been laid out most extensively in the Convention on the Rights of the Child, which has implications for social investment (UN, 1989). Perhaps the biggest social investment that can be made to promote the rights of children is education. All children have the right to free primary education, and the Convention on the Rights of the Child maintains that all children should have access to secondary and higher education. Early childhood education is also important; all children have the human right to play.

Children's health care is equally important in promoting their human rights. The rights of the child include childcare, child support, and the best possible health and health care services. Family-based programs promote children's human right to a family. Social investment in child protection policies and programs is another area that is critical to protecting the rights of children. Child protection programs protect children from harm and prevent human rights abuses, including physical and sexual abuse and neglect. Social investments into birth registration and identity documentation significantly advance the rights of children to an identity and protections against exploitation, such as child labor or trafficking.

Another way that social investments can further children's rights is through the incorporation of rights-based approaches with children into economic and development policies. Children's and family impact analysis of social and economic policies and children's rights analysis of budgets should be conducted. Children also have the right to an adequate standard of living, which requires sufficient financial resources, among other economic rights. Asset-based programs, such as child development accounts, can be employed on behalf of children (Clancy, Beverly, Sherraden, & Huang, 2016).

The most important social investment for older adults is social insurance policies, such as social security. Social insurance policies, old age benefits, social pensions, and old age insurance
programs that guarantee basic income for older adults can ensure their right to adequate standards of living (UN, 2008a). Social investment in social protection policies can protect older adults’ rights in cases of unemployment and sickness. These policies protect the human rights of older adults and promote their right to be free from poverty.

As older adults experience diminished health due to aging, their right to health becomes more important. Social investments in universal health care, facilities, and personnel can help to ensure their right to health. Social investments in the underlying determinants of health, such as food and nutrition, are also required. The International Covenant on Economic, Social, and Cultural Rights obligates states to provide for older adults’ rights to housing, specialized care, and access to the community, such as recreation-oriented programs that foster older adults’ self-reliance and community responsibility.

Older adults have the right to enabling and supportive environments and the right to remain at home (UN, 1966, 2002). Social investments should facilitate aging in place through independent living programs and supportive programs (UN, 2011). This may require investments that enable residences to be adapted or improved to allow older adults to remain at home. Older adults also have the right to caregiver support; this relates to both their right to health and their ability to age in place and live independently (UN, 2010).

Work is an important avenue for older adults to achieve their rights. Social investments that protect older adult workers against ageism during hiring, evaluations, in their working conditions, and upon retirement are required by the International Covenant on Economic, Social, and Cultural Rights (UN, 1966). Social investments should encourage flexible work policies for older adults and discourage mandatory retirement ages (Guseilo, Curl, & Hokenstad, 2004). This requires investments in programs to educate older workers about vocational training, professional development, continuing and higher education, and retirement options (Giunta, 2010). Educational programs for older adults can be conducted in community-based settings that permit children and young adults to learn from their experiences. Similarly, social investments can support cultural centers that support older adults’ right to community
through community integration, community building, and which promote older adults’ value and worth to society.

Towards Social Rights

Human rights and social development are two necessary and symbiotic components to achieving a just society. Social rights are at the intersection of human rights and social development, and can be implemented through social planning and rights-based approaches. Through progressive realization, states can take immediate steps that begin a process of investing their maximum available resources. Basing social investment policies on the principles of human dignity, nondiscrimination, participation, transparency, and accountability will help to ensure that human rights are respected.

This paper has reviewed several of the social investments necessary to fulfill human rights that can be made through social policy. Social insurance and social protection policies are powerful investments that the state can make to protect the right to be free from poverty. Redistributive policies can also promote economic and social rights. Investments in human capital can enable people’s economic participation. Respecting the right to development through fair global systems will facilitate social investments.

The rights to health and mental health require many social investments, including essential primary health care that is available, accessible, affordable, and acceptable; integrated mental and physical health care that is community-based; reproductive and maternity care; preventative care and health education; and investments in the underlying conditions that influence health. The rights of children depend on investments in education, family-based services, and protection from abuse, neglect, and exploitation. The rights of older adults similarly depend upon social insurance and investments that support enabling environments.

Social policy that invests resources to realize these social rights can reduce the structural economic, social, and political factors that contribute to poverty, ill health, and health disparities. Such social investments can be a way to restore the legitimacy of political institutions and indeed nation states. The current global threats and risks to political and economic stabil-
ity are “rooted in the denial of basic social and economic rights” (Crahan, 1982, p. 4). Investing in these rights not only improves people’s overall well-being, but also contributes to peace and stability. Such human rights-based social investments might push back against the forces seeking to diminish the welfare state and erode social rights.

References


Book Reviews

Rebecca Prentice and Geert De Neve (Eds.), *Unmaking the Global Sweatshop*. University of Pennsylvania Press (2017), 304 pages, $79.95 (hardcover).

This ethnography takes on the herculean task of documenting, diagnosing, and prescribing a solution to the current state of sweatshops, as well as other concerns in the world of garment workers. In three parts and nine chapters, the editors combine the works of 17 contributors to paint a picture of what is going on today in the factories where our clothes are made. The whole book is focused through the lens of health in this world after the 2013 Rana Plaza building collapse in Bangladesh. The Bangladesh Garment Sector is compared to New York at the turn of the 20th century, and the Rana Plaza building collapse has a historical counterpart in the tragic fire on March 25, 1911 in New York in the Asch Building in Manhattan, in which 146 people perished. One chapter, for example, tells the story of one person’s attempt at starting an ethical clothing company, first in Sri Lanka and later in the United States. The authors also look at what forces contribute to poor working conditions and inhibit progress, often referring to New York’s Garment sector in the 20th century as an historical guide.

As the authors make note, and has even been made light of by a political comedian like John Oliver, the condition of garment workers is a topic that phases in and out of the public consciousness. It seems no one wants to contribute to what is going on, but any attempt to figure out how to help can be so confusing it dissuades even reasonable people from moving forward. This book provides great insight for both experts and interested lay-people trying to deepen their understanding of the situation. From touching personal testimonies to analyses of policy and macro-level influences, this collection takes a deep dive into what is happening. On the whole, the book is accessible to
educated readers, although parts of it are definitely written in language directed solely at other experts in this field of study.

One of the lessons I took away from the book, which I think would be of the utmost interest to social workers, in particular, is how in all of the efforts to help alleviate the struggles faced by garment workers, these workers themselves are regularly left out of the discussion. As is made clear in the historical sections of this book, the success in New York’s garment sector came from unions being strong enough to advocate for themselves. This is in sharp contrast to the situation in the contemporary garment sectors highlighted by the book. The authors instead paint a confusing array of non-governmental agencies (NGOs), activists in the countries purchasing the garments, and the companies employing these workers. Additionally, much of the work being done in the name of garment workers is market-oriented, placing social pressure on customers to support ethical garment makers, no matter how confusing and difficult it can be to discern just which clothing companies are ethically responsible in their manufacturing processes.

Ignoring the input of the workers themselves creates other types of problems, as well. As these authors note, lack of worker input leads to situations in which companies and NGOs offer mainly “quick-fix” technical solutions to the problems at hand. “You can go in a factory and make sure that the fire extinguisher is there and people know how to get out of the factory, these kinds of things are technical, but the fundamental problem is the workers, even if they know their rights, they can’t defend them, and that’s political and that doesn’t change” (p. 67). Without worker input, solutions too often are reactionary and limited at best. They are only capable of fixing problems after the fact—a fire extinguisher is provided after a fire. But they are unable to work to prevent problems, or to fix the systemic problems that contribute to an event such as the Rana Plaza collapse.

In conclusion, this collection focuses on the importance of unions for any real progress to occur, especially union representation of female workers. The garment industry is overwhelmingly comprised of female workers who are stigmatized. That their voices should be heard is of crucial importance, and these authors underline repeatedly that there is a lack of female representation in the decision making bodies.
This will be a valuable collection for anyone interested in the problems of the global garment industry. Although it does seem to aim for people who are already familiar with the topic, this book would be useful for anyone interested in the current state of this industry. I wanted more quantitative data, such as the percentage of people involved with a union, and the distribution of wealth between the different levels of management and workers in a given factory, but of course such information is incredibly difficult to tease out with accuracy. Yet even without such data, the arguments presented are incredibly convincing.

For a thorough look at the garment industry on a global stage and its impact on the health of workers, *Unmaking the Global Sweatshop* fills a genuine gap. From narrating the rise and fall of a company intending to be as ethical as possible, to seeing how the various agreements made by NGOs, governments, and manufacturers impact the lives of individual workers, *Unmaking the Global Sweatshop* provides a compelling picture of the garment industry today.

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Most countries of the world are entering into the experience of an aging society, yet it remains difficult to arouse interest in the study of long-term care facilities. Researcher themselves often experience deep distress in face of constant exposure to elderly residents of long-term care homes, whose lives include the end stages of the aging process, along with loneliness, loss of value, diseases, incapability, dependence on helpers, and various stages of dementia. Most people, it seems, prefer the company of children to that of the oldest among us. Although everyone hopes for health and longevity in life, few people really enjoy constant and up-close exposure to what real longevity looks like.
Creative Teamwork: Developing Rapid Site-Switching Ethnography, outlines a new method for studying this group, which the authors call rapid, site-switching ethnography (RSSE). As a research method, RSSE employs the general techniques of ethnography, such as interviewing, participant observation, document review and focus groups. It adds to this some creative advancements, such as assigning at least two researchers working collaboratively within any particular long-care facility, employing common field notes, voice recordings and interview notes, with a strong emphasis on information sharing and reflections from different disciplines. The book itself is the product of an eight-year project, “Reimagining Long-Term Residential Care: An International Study of Promising Practices” (RLTRC), a large interdisciplinary research program applying the RSSE approach.

The head editor, Pat Armstrong, is a professor of Sociology and Women’s Studies at York University in Toronto. A Fellow of Canada’s Royal Society, she has published widely on the field of social policy, women, health and social services, and served as the PI of the project. Co-editor Ruth Lowndes is a Research Associate at York University, and was engaged full time in the RLTRC project.

The book contains twelve chapters. The first chapter lays out the theory and methodological issues related to RLTRC project. Based on feminist political and economic perspectives, the chapter concerns reproduction and maintenance of people on a daily and generational basis, therefore also including the unpaid work in long-care homes in the study. The feminist approach values lived experience, and especially notices gender issues in the division of labor in care facilities. A significant highlight is the outsized role of immigrant and minority women in the care giving labor force in long-term care for the elderly. The chapter describes ways in which factors such as context, working conditions, time complexity and other important matters are integrated into the research methodology.

The following chapters identify administrative issues related to the project that are particularly relevant when organizing large research projects, as well as concerns with ethical challenges in team ethnographic research work with vulnerable populations. Chapters in this section also describe specific
issues, such as site selection and preparation and building relationships of rapport. Two chapters then discuss the specific methods employed in the interviewing and field note recordings. The strengths and limitations of the feminist framework are compared with more traditional ethnographic research.

A highpoint in the book is one of the middle chapters, entitled “Different Eyes.” In this chapter, two team members compare their observations and thoughts gained during their simultaneous fieldwork in the same nursing home. Here we see dramatically how disciplines situate knowledge differently, and how their interests, observations and interpretations are shaped by disciplinary values and perspectives. One of these researcher is an RN trained in sociology, while the other is an historian. Reporting on observations in the same time and place, the historian’s field notes focus on the space, location and historical background of the care home, while the nurse/sociologist highlights much more clearly issues of care, the panorama of relationships in the facility, and accountability for the provision of care within the facility. This material is then compared to similar findings in care facilities in Canada and Germany. Significantly, facilities which place strong emphasis on accountability tend to focus on proper documentation, whereas facilities that emphasize relationships tend to focus on communications, sociality, touch and shared responsibility for the work.

Another significant chapter, integrating humanities into the research process, describes the use of people telling their stories. Such stories intersect as they are collected from multiple resources, such as dementia residents, administrators, workers, and family members. To dementia residents, some of their narratives have some facets of truth and many more aspects of meaning making. These stories include things the residents notice, value, have interest in or find worrying. The significance of such stories lies not in factual conformity, but in the mystery of finding truth in the narrative, offering insight into the perspectives of the narrators’ understanding of their own position in relation to the home, themselves, and the researchers.

Although this book mainly describes employment of a specific method in the interdisciplinary and international study of care homes, it also contains promising elements of practice often
neglected by traditional quantitative research. This spurs us toward higher valuing of qualitative study and rethinking the need for balance in quantitative assessment and service quality.

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Representations of poverty in the film industry step into the limelight in Stephen Pimpare’s new book, *Ghettos, Tramps and Welfare Queens*. I was excited to review this book, as I have a background in Film Studies in addition to my formal social work training. The suspension of disbelief is the practice of setting aside one’s critical faculties to participate in escapism through fiction. Here, Pimpare calls on the reader to critically investigate representations of poverty in film from the silent era to our modern times, in order to analyze how the selected films reflect social welfare policy and advocacy at the time of a film’s production. Pimpare demonstrates that there are identifiable tropes and stock characters within the genre of films about poverty, while highlighting that, in the real world, most of the poor in the United States are the working poor.

Pimpare takes the position that the effect of these portrayals is more important than their intent, as the overwhelming majority of filmmakers and writers do not have direct experience with poverty. Therefore, while the representations of the poor in film matter because they are influential, they all too often perpetuate stereotypes about poverty based on ignorance. This book is important because it conditions the viewer to look past the common reliance on an individual character’s behavior to explain their poverty. We are educated on how social welfare policy often systematically reproduces poverty and how film plays its part both in disguising this fact and perpetuating the myths. The reader comes away more sensitive to how audiences
are taught to view the poor as either worthy (a widow, an orphan) or unworthy (a gang member, a welfare recipient).

Dichotomous thinking also typifies how people who are poor are characterized as either to be feared or pitied, but rarely to be centered within their own narrative. A host of middle class savior tropes are discussed, and the filmmakers often use people who are poor as props for the savior’s own redemption. These lessons are imperative for students who will be working with or in close proximity to the poor, such as teachers and social workers, each of whom receive a chapter focused on their concerns. In utilizing film to challenge our understanding of poverty, Pimpare provides an accessible text for retraining our thinking about poverty and unraveling widespread fallacies. Threaded throughout the book is a discussion of how race and gender are intricately bound up with any true discussion of poverty.

The book is broken into two parts. Part One concerns films that represent poor environments and the people in them, such as inner-city ghettos, disadvantaged classrooms and social welfare offices. Part Two focuses on how poverty is represented outside of enclosed spaces: on the streets and in other transient spaces. The chapters work well as standalone readings and as a collection. A word of caution, though: the reader will only walk away wanting to watch a handful of films. This is because Pimpare conveys how rare and exceptional it is to see a fully formed character who is poor and who is also central to the storyline. One drawback of a book of this nature is that there are a host of summaries about movies the reader will become disinclined to see, except as examples of how poorly those without material resources are represented.

The book has all sorts of interesting tidbits about the relationship between film and social welfare policy, such as Meyer Levin advocating in Esquire in 1936 that movie tickets should be a social welfare benefit, because even the poorest people do not spare the expense of going to the movies. Pimpare coins the term the propertied gaze, where “the viewer is never assumed to be poor or homeless, and films are never meant for them, even when they are ostensibly about them” (p. 288). Although Pimpare sees few films that provide any real ideas for solving poverty, he does conclude with a host of well-reasoned recommendations for
filmgoers, filmmakers, policymakers and journalists. At the very least, the reader will gain a much more thorough understanding of the role we all play in the cycles of poverty.

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The evolution of the treatment of young people by the U.S. criminal justice system is the focus of Cara Drinan’s new book, The War on Kids. Despite the fact that the overall rates of youth involved in the juvenile justice system have declined over recent years, there are still more than one million youth arrested every year, about a quarter of whom are charged with a crime and processed by adult criminal courts. In adult courts, these youth can be sentenced without consideration of their young ages (e.g., death penalty without parole), and can even be held in solitary confinement in adult correctional facilities, where they experience the highest rates of physical and sexual assaults and suicide among all inmates.

Drinan claims that the American juvenile justice system has gradually degraded: once trailblazing, it now faces international scorn and criticism for its treatment of youth. Drinan draws upon both theoretical failings of the system and personal experiences of some of the juveniles who have paid with their lives for their early mistakes. At the beginning of the book, Drinan illustrates the harsh sentencing practices applied to juvenile criminal defendants, explaining their rapid and dramatic increasing severity over the last hundred years. Using both individual stories as case studies and the field studies of social science research, she further explains that some children in the United States are especially vulnerable to participation in crime and the justice system that follows. According to Drinan, race, poverty, parental incarceration, and exposure to violence are common risk factors that significantly increase the odds of these children becoming involved in the juvenile justice system. In addition, the mechanisms of certain policies and laws
increase the odds of youth being exposed to the criminal justice system and its harsh, life-altering consequences, specifically the “...school-to-prison pipeline, transfer laws, ineffective assistance of counsel, and mandatory minimums applied to juveniles” (p. 10).

Having described the path of youth involvement with the criminal justice system, Drinan illuminates the frightening reality of juvenile incarceration. Youth incarcerated in juvenile detention facilities have minimal opportunities for rehabilitation, and those youth incarcerated with adult inmates are particularly vulnerable and face irreversible and substantial abuse within the system.

The latter portion of the book presents the prospects for juvenile justice going forward. Drinan first examines recent juvenile sentencing decisions by the Supreme Court and relevant state-level responses, demonstrating how these rulings are paving the way for radical reforms down the road. Additionally, she uses three individual cases to illustrate the bumpy road of implementing these new laws. Finally, Drinan concludes that while recent decisions by the Supreme Court and legislature are hopeful, there is still significant work to be done for juvenile justice advocates. This includes “…the implementation of the Miller trilogy (the elimination of juvenile life without parole sentences); keeping kids in juvenile court; age-appropriate sentencing; shifting away from traditional youth incarceration; and periodic sentencing reviews for juveniles who are incarcerated” (p. 153). The book ends with a clear call to action, inspiring readers to pursue the juvenile justice reform so critically needed.

This book has two great strengths. It is written in a very clear and well-organized way, which makes this complex topic accessible. For each chapter, Drinan provides a brief overview of chapter content at the beginning, followed by a summary at the chapter’s end and a preview of the next chapter, helping the reader to follow the content. Additionally, by drawing upon social science and neuroscience research, as well as real individual cases, Drinan effectively underlines the point for a general audience that nobody was born for crime. Factors such as poverty, parental incarceration, immaturity, and the impetuous nature of children and adolescents all contribute to the making of criminal conduct. Furthermore, with appropriate interventions, kids are more amenable to rehabilitation than adults.
One criticism we do have is that, as Drinan asserts, poverty, race, family history of incarceration, and exposure to violence increase a child’s likelihood of criminal justice system involvement. In this regard, Drinan mentions possible policy reform for juvenile justice, but falls short of pointing out that society as a whole also has a responsibility to address these large social issues, which could significantly decrease the chances of children’s involvement with the criminal justice system. Nonetheless, this book is highly recommended for readers who are interested in an accessible yet comprehensive book about the juvenile justice system in the U.S.

Rong Bai and Robert Fischer
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Kenneth R. Miller, longtime professor of biology at Brown University, is probably best known to readers of this journal for his role as expert witness in high profile court cases that took place in the 1990s concerning the teaching of Intelligent Design theory as a balance to the teaching of evolutionary theory in the public schools. One of the main tactics of the proponents of Intelligent Design (most effective in jury trials) was to repeat the claim that evolution is “only a theory,” drawing on common language use of that word to mean something like a highly speculative idea.

Miller’s testimony was aimed at educating judges and jurors on the professional meaning of the word theory when used by scientists and other specialists. Though in such trials, Miller’s expertise was employed against the teaching of Intelligent Design (ID), Miller came away from the experience with some sense of respect for certain aspects of what he saw in the supporters of ID. The point of respect was not for their central claims, for which Miller does not see a place in the teaching of science. The point of respect, rather, was for what Miller came to understand as their sincerity in asserting that human life
contains inherently a deep sense of meaning, awesomeness and value they think is stripped away by the fundamentally materialistic assumptions of evolutionary theory.

Miller was concerned and distressed that people would encounter the story of our evolutionary origins as destructive of their sense of awe and wonder, for this runs directly counter to Miller’s own experience as a biological scientist. Since that time, Miller has endeavored to better communicate to students and readers the strong sense of awe and wonder he finds in scientific investigations of life and how that picture meshes with the scientific picture of the universe more generally. This book is in many ways his Summa for that endeavor, written for a wide audience.

Back when theology was the Queen of the Sciences, the universe was depicted as a series of concentric circles, with earth at the center of the universe and human beings as the apex of life on earth. It is easy to write a history of modern science as one of debunking and disposing of that theological picture. We learned that, far from being the center of the universe, earth was not even the center of its own solar system, which itself occupied a rather random and insignificant corner in a galaxy that itself was but one among, in Carl Sagan’s fond phrase, billions and billions.

Darwin’s dangerous idea of evolution by natural selection, especially as it fed into the so-called grand synthesis of natural selection and genetics, further debunked and decentered human beings from their self-appointed throne as the Crown of Creation. For this reason as much as anything else, it became the target of discontent. Miller is generous in his evaluation of those on the Intelligent Design side of the debate (some would say too generous.) Unlike many others on his side of the debate, he does not encounter the anti-evolutionary impulses of these people as stemming from simple ignorance of science, misguided loyalties to religion or other institutions, and certainly not to outright malvolence. He credits the deeply humanistic urge that leaves people dissatisfied with an outcome that, to their way of thinking, makes human values, morals and ethics seem like nothing more than arbitrary preferences, to be adjudicated mainly by raw power dynamics on every level. Miller sees his task here as demonstrating that one can be fully committed to the science of evolutionary biology, even while upholding the sanctity of our highest values, mores and ethics in human society.
Much of this book is taken up with popularized lectures in biology, in which Miller clarifies for the reader what is meant in the specialized context of academic discussion by key terms and concepts, as well as the history of those terms and concepts in the course of the last 150 years or so of scientific discovery. Here Miller does a fine job not only of educating the reader, but also conveying his own sense of the transcending mysteries of his subject. It is clear that much of the same “religious” sense that some gain from contemplation of God, or an Intelligent Designer, Miller obtains from contemplation of the wonders of life as seen through the lenses of biological science. These chapters are certainly worth reading for any educated person who is interested in keeping abreast of developments in biology and related sciences. It is not these chapters, however, that earn a review for this book in this particular journal, which is concerned with public social policy.

For readers of this journal, direct interests are perked in the later chapters, as Miller begins to outline his understanding of the “hidden meaning” contained in the story of evolution. While I would prefer to do otherwise, I know there is no way to present Miller’s thesis in short book review form without running it over roughshod and draining it of its beauty, nuance and even romance. With that caveat in mind, therefore, following is the gist of what I understand Miller to be saying.

The evolutionary process is totalistic, certainly for life on this planet and, as far as we can tell, for life anywhere else in this universe. Attempts to locate sources for life “outside” of the evolutionary process are at best redundant. They add nothing to our knowledge base. This is true even for the more chastened ID proponents, who confine their efforts mainly to highly advanced and specific steps in the evolutionary process, such as the advent of human consciousness. Miller is sympathetic with their motivations, but in the end finds their actual results to be very inferior to those who look at the same evidence following the more standard Darwinian frame of reference.

Where Miller really moves the discussion forward is in his suggestion that while the origins of human consciousness are best understood as situated completely within the evolutionary process, nonetheless we are left with the fact that in human consciousness, the evolutionary process has produced something very unique and astounding, namely, an entity that is able
to comprehend and describe the very forces through which it emerged. This, in turn, and for the first and only time so far as we know, has equipped our species, at least potentially, with the tools it needs to free itself from simple undirected and passive undergoing of the evolutionary process. We are able, if we so choose, to take in hand our knowledge of the forces that work on us through the evolutionary process and employ those forces to move our species actively toward ends that we desire.

In a very real sense, if I understand him correctly, Miller is describing here a sort of “second leap forward” in evolution. The first leap forward came when human ability to think abstractly freed us from strictly passive adaptation to the existing environment (by imagining environments that do not occur naturally—say, a controlled fire within a cave—and then acting to create such environments). As I read Miller, he is suggesting that by understanding the basic forces working on us in the evolutionary process, we stand at the gates of a similar leap forward, another great step in harnessing those forces for human betterment.

Miller’s view is very much in line with the Enlightenment vision that by careful application of acquired knowledge, our species has at least the possibility of creating true progress and social advancement. This is the aspect of Miller’s book that is interesting for readers of this journal, who have been bombarded for the past few decades by neoliberal exaltation of market forces, and subsequent devaluation of intentional social intervention policies, as the only true key to human betterment. If we think of market forces as a stand-in for survival-of-the-fittest evolutionary forces (and we need a lot more investigation into how those two ideologies have fed on each other mutually in recent time) then Miller’s book gives us good suggestions for how we might again connect the idea of true human progress with active intervention in places now largely left to work themselves out through market forces.

All of this said, I cannot leave this review without the self-indulgence of expressing my own hesitations about some of Miller’s conclusions. The first hesitation is philosophical, namely, the idea that having knowledge of the process that have produced us somehow gives us power over that process itself. Philip K. Dick and others have examined this proposition in ways much more engaging than I can here. Suffice to say that the Freudian idea that insight equals remedy is an iffy sort of
proposition, and is fundamentally grounded in the concept of a *free will* that itself stands outside of the evolutionary process. Is it not the case, then, that Miller has not so much *solved* the dilemma of requiring some kind of force or power outside of the evolutionary process to maintain his humanism as it is that he has simply *relocated* that power from God or an Intelligent Designer to human free will?

My second hesitation is that Miller’s approach may be susceptible to the same flaw from which much of Enlightenment-based social thought suffers, namely, that it too easily assumes we know a lot more than we actually know. Therefore, we fill in the gaps of our knowledge, if we see them at all, with what later come to be seen as the ruling prejudices and commonplaces of the time. The deconstructionist criticism of Enlightenment thinking may be smugly overblown in its own right, yet it did point to a problem we of the educated classes have had, namely, a sort of willfully blind imperialism in the way we assume that the norms of our class and culture represent universal truths. I am not sure Miller’s approach to what sets our species apart takes that danger adequately to heart. I hope I am wrong, however.

Daniel Liechty

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