

**IDEOLOGY, WELFARE MIX AND THE PRODUCTION OF WEL-  
FARE - A COMPARATIVE STUDY OF CHILD DAYCARE POLICIES  
IN BRITAIN AND HONG KONG**

**By**

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## SUMMARY

This is a study of the inter-relationship between welfare ideology, welfare mix and the production of welfare. It has been hypothesized that the welfare ideology of a state is likely to affect its choice of welfare mix and the kind of social relations produced in the wider society. In this study, normative theories of the welfare state were reformulated by an analytical framework into theoretical models of the welfare state as pre-test patterns for comparison with practical policies under study. Child daycare provisions in Britain and Hong Kong were chosen as the data to test the hypothesis. A multiple-case-embedded design was used in organizing this comparative study.

It was found that practising ideologies are more predictive than idealized ideologies of state social policy. It was also found that state social policy in the realm of child daycare was related to its ideology : state ideology affects the choice of a mix of welfare sectors and the form welfare is organised in the production of social relations in the two societies studied. Nevertheless, the inter-relationship between state ideology, welfare mix and welfare production is constrained by three intervening variables. They are bureau-professional autonomy, inter-play between opposing ideologies and flexibility of ideology in the interpretation of state welfare because of a changing environment.

When the findings were examined from another perspective, welfare sector and welfare production were seen to carry ideolog-

ical meanings. This implies that a transaction of welfare goods and services is not only a transaction of material or tangible social services, but it is also an ideological transaction of different social principles which underlie the welfare sectors. This has led to the development of a theory of the ideological production of welfare as an explanation of the relationship between ideology and welfare sectors in the division of care and welfare responsibilities in a society. Based on this theory, the limitations of instrumental theories about the welfare mix were discussed.

In conclusion, in the light of wider social and economic changes within capitalism, an integrative strategy concerning the welfare mix in particular and welfare in general has been proposed which duly recognizes the importance of ideology in maintaining social relations in a society as well as the social context which these social relations underlie.

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## INTRODUCTION

This thesis studies the inter-relationship between welfare ideology, welfare mix and the production of welfare. The use of ideology in explaining welfare has attracted more attention since welfare states experienced a 'crisis' in the mid-1970s. The welfare state is a modern industrial phenomenon : the state uses welfare as the strategy to remedy market 'failures'. Welfare, in this sense, is interpreted as state welfare in compensating individual's social miseries resulted from the inadequacy of the market system as a distributory mechanism. The use of state welfare requires coercion over some individuals to contribute through taxation and allows the state to redistribute the revenue for alleviating social miseries or improving social equality. However, there are 'no intrinsic reasons why people should be prepared to pay tax revenues necessary to finance these [redistributive] activities' (Taylor-Gooby, 1985, p.7). Post-war economic growth allowed the development of the welfare state as increased taxed revenue could be funded by an expanded economy. The slowed economic growth of the early 1970s triggered the 'crisis' of the post-war pragmatic consensus which was built on a growth economy and, as a result, welfare mix became an important topic in the debate about the future of the welfare state. In this light, welfare is no longer interpreted narrowly as the provision of state welfare, but also includes other non-statutory sectors as their contributions can reduce the state's welfare

responsibilities. Hence the 'fiscal crisis' as a structural gap between state revenues and state expenditures as anticipated by O'Connor (1973, p.9) could possibly be tackled by a shift in the boundaries between welfare sectors.

In the light of the above brief account, the study of welfare mix is a good starting point in an attempt to understand welfare. Indeed, welfare mix provides the contextual arena in understanding the divide of welfare and caring responsibilities between the state and individuals/families in modern industrialised societies. Despite the fact that industrialisation has weakened the family's ability to cater for the social needs of its members, many states maintain a residual approach towards welfare. In Britain, the Conservative governments (1979- ) have used the family as a moral argument to roll back the frontiers of the state (Fitzgerald, 1983), and have been 're-drawing the boundaries to place more responsibilities within the orbit of the family' (Finch, 1989, pp.162-163). In other countries, like Italy, supporters of privatisation have proposed a new family policy in which the family is to be reestablished as the first line provider of services (Ascoli, 1987, p.139). In the East, industrialised societies like Japan and Hong Kong, despite their enormous economic capacity, have retained the family as the primary provider of care and welfare. In this light, the family provides these countries with a moral ground on which to defend their residual approach towards welfare.

This trend reveals a return to the family and other non-statutory providers as a response to the financing problems of the welfare state. It indicates that the role of the state in

welfare is being shifted to one of 'enabling' rather than 'providing' (Judge, 1987). In this new framework of understanding the welfare mix - that is the mix of welfare sectors with responsibility for welfare and care in a society - non-statutory providers, particularly the family, will have to increase their share in the caring responsibility. Clearly, attention should be paid to examine the social effects of this new framework on different social classes and genders, especially the lower socioeconomic classes who are less able to meet their social needs through the market and women who traditionally are the carers of sick and disabled family members.

The discovery of welfare mix as a means of easing the pressure on the state's fiscal crisis is only one aspect of the issue, the other main aspect is the transaction of ideological meanings of welfare sectors in the production of welfare. The latter is the main focus of this thesis and is an issue which is often overlooked in the study of welfare mix and welfare production. Thus, preference for a welfare sector may reflect ideological reasons : the production of welfare by a welfare sector can produce the kind of social relations preferred by a state and constitutes part of its moral order in affecting people's attitudes and behaviour in welfare as well as other aspects of social life. In this regard, the return to the family and non-statutory sectors also carries with it a larger arena in which 'for family' and 'anti-state' ideologies can exert their influence. If welfare mix is regarded as the contextual medium within which people relate abstract ideological meanings in their everyday world, the expansion or reduction of the state's welfare production will

have an impact on people's thinking about welfare as a social right.

With these central concerns of this research in mind, the thesis takes the following form. It begins with the research question : why different societies have different mixes of welfare sectors ? The discussion in Chapter 1 is used to define the boundary of the research problem, that is, to explore the inter-relationship between welfare ideology, welfare mix and the production of welfare. It relates the crisis of the welfare state with welfare ideology and the production of welfare. In Chapter 2 the research problem is conceptualized and hypotheses formulated for testing. The 'multiple-embedded-case design' is also selected. In Chapter 3 normative models of the welfare state are constructed as ideal types for comparing with practical policies. These ideal types will serve as indicators to test the extent to which normative theories of the welfare state can predict practical policies. In Chapters 4 and 5 child daycare policies in Britain and Hong Kong are studied as case examples and the data are reformulated into empirical indicators in comparison with the ideal indicators. In Chapter 6 the two cases are analyzed and tested against the hypotheses. Firstly, it is to test the predictive ability of normative theories of the welfare state. Secondly, it is to test the extent to which welfare ideology can predict welfare mix and the production of welfare. In the final chapter the theoretical and policy implications of the research findings are discussed. The main aim is to develop a theory of welfare production as an explanation of the relationship between ideology and welfare sectors in the division of care and welfare

responsibilities in societies.

In conclusion, this thesis attempts to develop a general theory on the basis of two case studies. Britain and Hong Kong are being used as illustrations of how a traditional institutional welfare state and a residual welfare state develop their welfare mixes. The British case is particularly interesting because of its ideological shift in the late 1970s.

## Chapter 1

# WELFARE CRISIS, WELFARE MIX, AND THE PRODUCTION OF WELFARE

### Introduction

The purpose of this chapter is to define the boundary of the research problem in this research. It begins with the study of the concept of welfare state and traces the reasons behind the emergence of welfare state 'crisis'. Britain is used as a case example. Then, it goes on to discuss the part played by the underlying social principles of the welfare sectors in the production of welfare ideologies. Since 'welfare transaction' means not only the transfer of material, tangible goods and services, but also its support of ideologies, the preference in welfare mix of different countries may very well reflect their different ideological preferences. This chapter also looks into the relationship between ideology and welfare production and identifies the problem area for research.

### The Concept of Welfare State

Amongst welfare ideologists, neo-liberals argue for a minimalist state that provides only necessary and essential resources to relieve absolute poverty (Friedman, 1982; Hayek, 1960; Bosanquet, 1983). For example, Hayek (1960, p.303) accepts the provision of a minimum level of welfare as compatible with a free society. However, he argues that the sharing out of income on

the basis of a concept of social justice is not compatible with liberty because distributive justice requires state coercion for its implementation and it is unjust in a morally pluralistic society. In general, neo-liberals hold the perspective that, as stated by Deakin (1987, p.16), 'state intervention is admissible ... to provide where necessary the essential minimum of resources that the market cannot for a variety of reasons secure for those in extreme poverty.' This leads to the neo-liberals' definition of 'welfare state' as one residual to the market, intended primarily to alleviate destitution.

However, some people do not consider that a minimalist state is a welfare state. For instance, this consideration is reflected in Titmuss's (1958) use of quotation marks in describing the British 'Welfare State'. To welfare state theorists like Titmuss, a state should have reached a prescribed level of welfare provision before it can be considered as a welfare state. They do not regard states which merely exercise what Ringen calls a 'weak interpretation' of equality (1987, p.8) as welfare states. This weak interpretation implies only a minimum standard for all members of a society, including social security and the right to certain basic services. Titmuss (1958, p.38) argues that the post-war British welfare state project since the Beveridge Report of 1942 had not achieved the aim of transferring resources from the rich to the poor through the aggregate redistributive effects of social services. This exemplifies that Titmuss disputed the rhetoric of a British welfare state because of its marginal strategy on equality.

This is indeed an egalitarian argument, that the market

system will produce inequalities and those at the bottom of the social stratification will not have the resources to satisfy their needs and their freedom will be limited. Thus, the welfare state has to redistribute resources to the less well-off in order to rectify injustices in distribution which the market creates (Plant, 1985).

Behind this egalitarian argument is the principle of 'social right', which assumes that accessibility to the welfare should not be governed by the market principle of capitalism. Instead, it should rather depend on people's socially recognised needs for their entitlement to welfare. Marshall (1972, pp.18-19) sees this as the 'fundamental principle of the Welfare State [in] that the market value of an individual cannot be the measure of his right to welfare'. According to him, 'the central function of welfare, in fact, is to supersede the market by taking goods and services out of it, or in some way to control and modify its operations so as to produce a result which it would not have produced [by] itself' (Marshall, 1972, p.19).

Contrary to the principle of social right, value in a market system is governed by the individual's economic ability and the possession of private property. Drawing on Marshall's principle of social right, another writer, Kaufmann (1985, p.46) suggests that a state can be said to have welfare state properties to the extent that 'it takes explicit responsibility for certain aspects of the basic well-being of its members,' and that 'this responsibility is not only a political declaration but [also has been] institutionalized in the form of social rights that can be claimed by every individual entitled to'. If the right of access

to welfare for 'certain aspects of basic well-being' is accepted to be the criterion for welfare state, it will be more specific than the other criterion in defining the welfare state, i.e. the level of welfare provision of a state.

Nevertheless, a welfare state should provide adequate services. Such services may be direct or indirect. Direct provision of services means that these services are administered by the state itself; whereas indirect provision of services means that these services are administered by non-statutory sectors which receive institutionalised funding from the state. However, the right of access to welfare does not guarantee the right of equal outcome in a welfare capitalist society. Firstly, social right as a welfare concept has its limitations because it refers only to statutory welfare alone and cannot encompass other ways of meeting needs, for example, the occupational and fiscal welfares envisaged by Titmuss (1958) as well as voluntary and charitable welfare (Mishra, 1977, p.24). Secondly, since the activities of the welfare state do not threaten private property, the capitalist system of production, and the legal right of inheritance, the effect on social equality is limited (Pond, et al., 1983).

If a welfare state is built on a capitalist economy, the tension between inequality and equality, or between social equality and equality of opportunity, is definite. From this analysis, Titmuss's frustration about the lack of achievement of the British 'welfare state' is understandable. It seems that a welfare state without the capitalist system of production and distribution would be a better option for egalitarians like

Titmuss. This is the idea of 'welfare society' once raised by Robson (1976, p.15). It seems that the principle of social right which implies non-market principles for welfare entitlements is the necessary condition for a welfare state, however, it does not guarantee the achievement of social equalities as expected by egalitarians.

It is certain that the provision of minimum welfare is far from realising the principle of social right. A minimalist state basically rejects human needs as criteria for access to welfare except for the relief of destitution. In contrast, it embraces the market principle as the main distributive criterion. It is indeed a kind of anti-welfare state ideology. Nevertheless, the contrasting concepts of the role of the state in welfare reflect the different value assumptions. As a welfare state is founded upon the co-existence of welfare and capitalism, this paradox means that the causes of conflict and crises can be traced from within the system. In sum, it is clear that an egalitarian welfare state requires the rejection of the market value, whereas a minimalist 'welfare state' does not accept the principle of social right.

From the above discussion, it appears that it is not absolutely necessary to employ a commonly agreed definition for the concept of welfare state since, in reality, all definitions reveal different value assumptions. The employment of inevitably value-laden definitions of the welfare state serves to remind us that ideology plays a significant part in the study of welfare.

## The Welfare State Crisis

After World War II, there was a general increase in tax-financed expenditure on social services amongst advanced western capitalist countries. In the United Kingdom alone, tax-financed expenditure on social services (including employment policy) rose from a figure equal to 16 per cent of the Gross National Product (GNP) in 1951 to 28 per cent in 1979 (Judge, 1982). Figures for OECD countries also show a corresponding increase during the same period. In the seven largest OECD countries including the U.S.A. Canada and Japan, the share of spending taken by social services (excluding housing) in GNP had grown from an average of 14 per cent in 1960 to 24 per cent in 1981 (Glennerster, 1985, p.233).

The post war consensus amongst political parties in Britain has often been used to explain the increase in state social spending. For example, Clarke (1973, pp.141-142) argues that one cannot even deduce from the public spending figures the existence of a high spending party and a low spending party in the same period. He says, you 'cannot even identify party differences on questions of priorities between e.g. defence and social services, or between one service and another' for the period between the twenty years from 1950 to 1970. Gould and Roweth (1978, pp.222-227) also found that, over the same period, there was a surprising similarity between the two main political parties in those social programmes which were considered to be so fundamental to the idea of welfare state - personal social service, social security and health; though the Labour governments could claim a greater public commitment than the Conservative governments. Gould and Roweth qualified their observation by presenting re-

structured public spending statistics and noticed that there was a difference in the rate of growth of social programmes between Conservative and Labour governments in their different periods in power. However, if the tendency to spend had been put into the context of Gross Domestic Product (GDP) increases and if the differential rates of inflation in their different periods were allowed for, their spending rate would have been similar. The consensus on state social spending has been regarded by Mishra (1984, p.18) as the 'Keynesian-Beveridge rationale' for state intervention which 'promises to combine the best of both the capitalist and socialist worlds'. This reformist approach is also observed by others. For example, Cutler, Williams and Williams (1986, p.27) comment that 'Beveridge and Keynes are concerned to recommend or justify forms of state intervention which would effectively curb poverty and economic insecurity while preserving as much as possible of the benefits of individual freedom'.

The Keynesian-Beveridge proposals included the introduction of the tripartite contributions of National Insurance, the universal national health service and the education system, which were widely regarded as the main pillars of the British welfare state with a considerable degree of consensus amongst different ideological and political fronts. However, this consensus had not been totally unanimous because it was built upon pragmatic grounds rather than on ideological agreement. Clarke, Cochrane and Smart (1987, pp.86-7) outline the pragmatic approach of the post-war consensus in the following words:

The post-war period marked an important change in public opinion on the question of state provision, unemployment, poverty and social and economic distribution. These shifts

had, however, been carefully nurtured during war time. Social reform in the areas of education, employment, health and welfare became a part of war time propaganda in as much as they symbolized the hopes of a brighter future for which it was worth fighting. But equally important was the development during the war of policies based on a rational social planning, on the production of blue-prints for social reform, masterminded by experts outside mainstream political parties but able to influence government. These experts, like William Beveridge... and John Maynard Keynes produced integrated proposals apparently based on expertise rather than political dogma or a party line.

Despite the pragmatic approach of non-party experts like Beveridge and Keynes, the post-war consensus was not welcomed on all sides. On the one hand, those on the right criticised this approach as a threat to individual liberty. For example, Hayek (1944, p.99) quoted Benjamin Franklin's phrase to mark his fear of the welfare state as an ideological encroachment : 'Those who would give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety.' And Titmuss also saw the criticism from the right at that time. According to Titmuss (1958,p.35), the charge from the right in the fifties was that the 'error of welfare policies since 1948 has been... to pursue egalitarian aims with the result that the "burden" of redistribution from rich to poor has been pushed too far and is now excessive.' On the other hand, the revolutionary socialists criticised the Keynesian-Beveridge proposals as being inadequate and argued for a revolutionary change. For instance, *Tribune* (Clarke et al., 1987, p.115), a socialist publication, approached the British welfare state from a class conflict perspective:

Sir William Beveridge is a social evangelist of the old Liberal school ... He would like to make a truce between private enterprise and State ownership. He would like the two to work to harness together, but, above all, he would like, by resolute action, to appease the most obvious pains and to succour the most grievous casualties which capitalism

produces.

At that time, the revolutionary socialists were hostile to the reformist approach towards capitalism, and they regarded it as the source of social evils. The danger of the reformist approach, according to the revolutionary socialists, was that it only softens the real issue of capitalism by providing minimum state welfare and as a result of which, capitalist exploitation can perpetuate itself.

It is obvious that the consensus on the Keynesian-Beveridge proposals was not strong enough to serve as a base for unanimous agreement because it was a product of pragmatism rather than a result of ideological consensus. However, as long as the social and economic base of Keynesian-Beveridge pragmatism had not been eroded, the tension underlying the manifested consensus would have not emerged and endangered it.

This thirty year post-war consensus reached a turning point in the mid-1970s. At which time the world oil crisis was the precipitating factor of an unprecedented era of 'stag-flation', in which the Keynesian interventionist fiscal policy was no longer effective because the multiplier effect of state intervention had been blamed for having triggered a further acceleration of inflation. Inflation had replaced unemployment in being defined by the government and opposition as the primary social evil. As the social and economic foundations of the post-war consensus were gradually being eroded, the underlying ideological tension inevitably became more apparent. In this way, ideology had replaced pragmatism as an item for heated debate on the agenda of the welfare state. Coupled with this ideological

tension, the crisis of the British welfare state had also emerged.

Ironically, it was the traditional interventionist Labour government which first introduced the monetarist policy in the mid-1970s and was followed by the succeeding Conservative government in a much more thorough-going manner (Walker, 1982, pp.8-11). Underlying this shift from interventionist fiscal policy to monetarist policy is the assumption that state collective action is a burden on the economy. As Walker (1982, p.11) puts it, 'The essential preconditions for the crisis in confidence in public expenditure, which was triggered by the economic crisis of the mid-1970s, were the bias against the public sector and the predominance of narrow economic values over social values'.

It is easy to assume that the welfare state crisis is a matter of economic crisis. Based on this economic interpretation, the welfare state is assumed to be unproductive to the economy (Walker, 1984, pp.28-31) and, therefore, it should be reduced to make room for private enterprise. However, this interpretation is regarded as rhetorical and not an accurate reflection of reality. In this light, a growing number of writers have argued for the importance of differentiating this rhetoric from the reality. They argue that there is clear evidence of an expanding state sector in the post-war period which was also compatible with a concurrent growing economy. For instance, Abel-Smith (1985) found that there were no empirical grounds to support the proposition of the thesis of the welfare state as a public burden on the economy. He concluded that state spending is incompatible with economic growth. His argument was further supported by

Glennerster's (1985) study. After examining comparative data of different countries in taxation and social planning, Glennerster (1985, pp.234-235) argues that

there is no conclusive evidence to suggest that the present scale of state finance, or something rather larger or rather small, is incompatible with a semi-capitalist or market economy. We have already seen that the level of taxation in similar western economies varies greatly, as does their spending on social welfare ... Forty years ago in a ravaged economy when real incomes were less than half of what they are today, people voted for what come to be called a welfare state, and paid the price, and voted to continue affording it.

Although the 'public burden' thesis is ideologically influential, it cannot offer a convincing explanation of the British welfare state crisis. Nevertheless, the economic crisis of the 1970s was the triggering factor breaking down the post-war consensus and moving governments-in-power to believe in the incompatibility of state welfare and economic growth. This obviously represented a shift from the ideology of believing in the compatibility of welfare and economy to the ideology of the 'public burden'. The economic crisis had provided an opening for the welfare state crisis to emerge.

The post-war consensus on the welfare state was actually based on the belief in the 'distribution-through-growth' thesis because 'without growth, redistribution requires real losses for some' (O'Higgins, 1985, p.163). Or, using a Marxist interpretation, the capitalist class will have to pay more in a state of slow economic growth for a trade-off between the function of legitimation and the function of accumulation (O'Connor, 1973). Economic growth is thus the precondition for any increase in social spending for this 'trade-off' or as a 'social inclusion'

project (Kaufmann, 1985, p.53). This leads to Klein's description of the welfare state as the 'residual beneficiary of the Growth State' (1980, p.29). In other words, the problem of this consensus is its reliance on a growth economy as the funding source of welfare state expansion. This implies that a slow growth economy or recession would have triggered off a crisis (Friedmann, 1987).

Certainly it may not be in the interest, at least not the immediate interest, of the better-off to continue their support of the welfare state. Hence, the 'public burden' thesis has provided a theoretical argument for the better-off to roll back the frontiers of the welfare state. From different reasons, egalitarians also attack the welfare state for its failure to eradicate poverty and create a more equal society (Abel-Smith, 1985, p.32). This attack might not be justified because they are attacking a promise that the welfare state has never made (O'Higgins, 1985; Ben-Hur, 1985; Hindess, 1987).

Apart from the ideological crisis, the statutory services of the welfare state have also been attacked as bureaucratic, inefficient and remote from the users (Hatch and Hadly<sup>e</sup>, 1981; Gladstone, 1979). The negative experiences of users of the statutory services have weakened the legitimacy of the welfare state and have put it on the defensive both in ideological and administrative arenas. Nevertheless, it is obvious that the 'crisis' of welfare state is primarily a result of an ideologically induced conflict. Strictly speaking, it is more of an ideological crisis (Kaufmann, 1985) than a 'crisis' of the welfare state.

## Welfare Ideology and the Welfare Sectors

Understanding ideological crisis requires an ideological perspective. Ideology, as defined by Smith (1970, p.9) is 'a configuration of relatively abstract ideas and attitudes, [and is] used to characterise some perfect state, in which the elements are bound together by a relatively high degree of inter-relatedness or functional inter-dependence'. This definition indicates that believers of a particular ideology may tend to judge the external world from their set of 'a configuration of relatively abstract ideas and attitudes'. In this regard, it is likely that opponents of the welfare state would redefine the role of the state from a Keynesian-Beveridge interventionist state to that of a neo-liberal minimalist state. This redefinition allows a larger area for the free play of market forces; and particularly in social policy, a minimalist state requires less resources for the purpose of 'social inclusion' or 'legitimation'. As a consequence, the return to more means-tests as the principle of distribution and the re-vitalisation of 'Victorian values' of encouraging self-help is more likely. In this way, privatisation becomes a strategy to reduce the state sector in order to make room for other welfare sectors, particularly the private sector; or, in Walker's words, it 'represents the introduction or further extension of market principles in the public social services' (1984, p.25). Thus, the issue of welfare mix becomes an important item on the agenda in the debate about the welfare state 'crisis' (Johnson, 1987, p.54).

In this light, as part of a strategy to roll back the frontiers of the state, the preference for the private sector is

ideological. The ideologically inspired blind faith in the market is not necessarily validated by comparative studies between welfare sectors. For instance, it can be argued that the findings of Titmuss (1970) in proving the inefficiency of the private blood market may not be considered by anti-statist ideologists because economic efficiency is only one of the many factors in the consideration of privatisation. In another example, Papadakis and Taylor-Gooby (1987, p.37) studied the Thatcher government's record of privatisation of social services, and found that half of the cases (i.e. statutory sick pay, the Assisted Places Scheme and council housing sales) were accompanied by an increase in subsidy. In other words, ideology plays a significant part in the preference for a particular welfare sector.

In the changing boundaries of the welfare mix, the private sector plays an increasing role advocated by the right wing ideology. As a result, the state sector is likely to be affected by this change of ideological choice of governments-in-power. However, the issue of welfare mix is far from being as simple and straightforward as it seems at first sight. In the first instance, the role of a particular welfare sector is not simply to provide a service, but includes other dimensions such as financing. For the state sector, this is particularly important because it also includes the role of regulating other welfare sectors. It sets standards of service as well as defining the scope of inter-sectoral responsibility. In the second instance, the market principle of the private sector can be presented in other welfare sectors. The market principle or other social principles in the user-provider inter-relationship can be incorporated in the

transactions in any welfare sector : as has been pointed out above, privatisation can be more clearly defined as 'the introduction or further extension of market principles in the public social services' (Walker, 1984, p.25); or in a more straightforward manner, it represents the encroachment of the market principle on services formerly regarded as the domain of the state. Henceforth, if the different dimensions each particular sector can have are taken into account, their different combinations and inter-relationships will become more complex and will be beyond the explanatory scope of a simple account.

The following table provides a brief illustration of the different welfare sectors and the social principles underlying the social relations between users and providers in their pure types.

**Table 1.1 Welfare Sectors and Social Principles**

Welfare Sectors	Social Principles Underlying the Relationship Between Users and Providers In Their Pure Types
Private sector	Market principle
State sector	Social right principle
Voluntary sector	
Voluntary agency	Charity principle
Mutual aid group	Reciprocity principle
Informal sector	
Neighbour and friend	Reciprocity principle
Family and kin	Reciprocity principle, Paternal/Maternal principle

In the private sector, the market principle dominates in social relations between users and providers, in that the users are regarded as consumers. They enter into the interrelationship with private providers because of their willingness and ability to pay. In other words, the presupposition of any 'right' is determined by the capacity of the user in the market system where suppliers and consumers exchange goods and services under the price mechanism. This suggests that, the legitimacy of claiming one's 'right' is the ability to pay and individuals are not regarded as a person in their own right. Therefore, it can be suggested that social relations in markets are commodified and calculative in the absence of social obligations.

In contrast, with the private sector social relations between users and providers under the operation of the state sector recognises a moral obligation to the individual's right to services. This is what Marshall (1950, 1972) suggests is the social right embodied in the citizenship concept, or what Titmuss (1974, p.31) regards as 'the principle of need' in the 'Institutional Redistributive Model' of social policy.

Transactions in the voluntary sector, in their ideal type as a non-contracted provider of the state, are a transfer of services voluntarily from one organised group to another - from the providers to the users. The users cannot claim any right to these services because voluntary services can be withdrawn without any infringement of the user's right. In the extreme case, the care provided by charity is for those 'legitimate' people who are in a state of helplessness. The non-obligatory relationship could be

termed a charity principle which is the foundation of charity organisations of the voluntary sector. In mutual aid groups of the voluntary sector, amongst friends and neighbors in the informal sector, the distinctive feature of their transactions is their reciprocal nature. In their study of a Good Neighbour Scheme in Durham, Abrams et al. identified a 'norm of reciprocity' underlying the neighbourly help:

The notion of 'ordinary people wanting to help each other' rests on a simple expectation of reciprocity, whether the return is made now or in the future, these seem to be a fundamental belief that help can earn help... But, even though the balance of help is not always maintained with sensitivity or symmetry, we were left in no doubt that, for most members of this particular scheme, the basis of neighbourliness is a well-understood norm of reciprocity' (1981, p.66, as quoted in Bulmer, 1986, p.115).

Abrams regards altruism and reciprocity as two most important sources in neighbourly help (Bulmer, 1986, p.103). But in some sense, altruism is one kind of reciprocity because it is not necessarily materialised in return, but involving an *inexpressible* reciprocity (Bulmer, 1986, p.107). Altruism, like love, is a kind of giving without expecting return. There are occasions where care between neighbours, friends or mutual-aid groups is purely altruistic when the recipients are perceived in a state of 'legitimate' helplessness. In this situation, the recipients have little prospect of returning the help even in the longer term. This kind of care between neighbours and friends has been transformed into charity.

Social relationships between family members and kin can also be conceived as having a practical sense of reciprocity. The important feature of this reciprocity in family and kinship is 'a series of exchanges arising out of self-interest and reinforced

by social norms' (Bulmer, 1986, p.105) : parents may help their children with the expectation of receiving their assistance in old age; kin may expect each other in return for help in times of crises. As also remarked by Pinker (1979, p.116), mutual aid in the family occurs within complex networks of interdependency which involve power relations between and within generations and sexes.

However, these networks of the family and kin support cannot simply be explained by instrumental reciprocity. In either western or Chinese family systems, the older generation should have the moral and social obligations to make provisions for the younger generation until they have reached a given age. The social relations between generations are basically paternal or maternal though different systems vary in their forms of obligation towards the younger generation before they have grown up into adulthood. In the case of the care rendered by children towards their parents, they are also motivated by a sense of social obligation. For example, in a family care study in Sheffield between adult carers and their elderly parents (Qureshi and Walker, 1989, pp.160-163), it was found that the care between family members and kin still existed even in situations where the caring relationship was one-sided and lack of affection. Surely, a strong sense of social obligation should underlie this kind of care. This sense of obligation seems to be associated with the blood tie which, besides the contractual relationship in marriages, forms the other important pillar of the family system. Thus, it can be inferred that the paternal/maternal principle underlying social relationships in the family and between kin is

supported by social obligation. However, this is not to deny the existence of love and affection in these relationships. Nevertheless, love and affection are not social principles but are feelings which, as argued by some (for example, Abrams, 1978, as quoted in Qureshi and Walker, 1989, p.146), are of special meanings to those actors involved in the caring transaction.

Further, the concept of equality can be used as a yardstick to differentiate these social principles of the various welfare sectors. In the private sector, the concept of equality is irrelevant because the principle of operation is defined by the price mechanism. Social relations between users and providers are commodified and amoral. In transactions of the state sector, the concept of equality is also irrelevant in the strict sense because the state has the obligation to provide. Equality is only relevant in terms of distributive justice amongst users. In the voluntary sector, unequal status is embodied between users and providers because there are no grounds for the users to any claim of obligation. However, in transactions amongst mutual aid groups, neighbours and friends, equality does matter since the relationship between users and providers, however blurred in these situations, is non-obligatory and is only linked by the mutual respect and contribution amongst themselves. The notion of right is absent and obligation is mutually agreed. Reciprocity is the social principle governing this kind of transaction. In transactions amongst family members and kin, it seems that the concept of equality would be irrelevant because family and kinship systems are basically structured in an hierarchical order between generations.

The various social principles in Table 1.1 presume that welfare sectors in their pure form have different underlying principles that define the social relations between users and providers. But, if each welfare sector is not uni-dimensional, the presumption has to be modified. For example, if the state subsidizes the voluntary sector in carrying out its social right principle, the social relation between users and providers in the voluntary sector will then be transformed into a 'quasi-social right' principle. But this situation will become complex if the voluntary agency charges for its services whilst receiving subsidy from the state. Then, in this case, it is a combination of three kinds of principle in its social relations with the users. The complication reveals an important element in the discussion of the welfare mix; that is, the transaction of a particular welfare sector is not necessarily rigid in adhering to the presumed social principle. The presumed principle can be transformed or further principles could be incorporated in transactions between users and providers. Therefore, the correlation between welfare sector and ideology is complicated and this means that there is a wider choice in the possible mix of welfare sectors.

The transformation of social principles between users and providers reveals that welfare sectors have different dimensions and functions. The different dimensions of welfare sectors in combination can provide us with a matrix (Table 1.2) that shows clearly the multiplicity of dimensions in the study of welfare mix.

**Table 1.2 Dimensions of Welfare Sectors**

Welfare Sectors	<u>Dimensions</u>		
	Provision	Finance	Regulation
State sector	1	2	3
Private sector	4	5	-
Voluntary sector	6	7	-
Informal sector	8	9	-

In sum, the concept of welfare sector can be differentiated into the three dimensions of provision, finance and regulation. The role of the provider is only one of the dimensions of each particular welfare sector, and each welfare sector at least has two dimensions and the state possesses one more. The role of the state as regulator is unparalleled because of the uniqueness of the state (Walker,1987) in commanding resources in redistribution and possessing the legitimacy in enforcing coercion. It is this regulating dimension, in combination with the financing dimension, that the state is capable of transforming the presumed social principles of the other welfare sectors.

If this argument is taken into account in the discussion of welfare mix, the defence of the welfare state will be more flexible insofar as the social right principle can be safeguarded. It implies that the state can use its regulating and financing roles to transform other welfare sectors to incorporate its social principle without itself being directly involved in the service provision. In this light, for example, Bosanquet(1984) cautiously argues for a case of new 'mixed' enterprises, in which the state

can finance voluntary agencies and mutual aid groups to provide services less costly and overcome the inflexibility of those large scale statutory services in meeting new social needs. Walker (1987) also puts forward the idea of 'contracting out' state services to the voluntary sector with the qualification of specifying clear conditions governing users rights in exercising choice and control over services and decision-making. Webb and Wistow (1987) discuss the possibility of creating a multitude of non-statutory, especially non-profit, ventures and organisations as a move towards a more decentralised, or devolved, system of government. On the contrary, the opponents of state intervention from the right wing ideologies may propose measures like voucher systems and fee charging within the statutory service instead of only using the straightforward reduction of statutory boundary in their package of a minimalist state (for example, Seldon, 1985).

### **Welfare Mix and the Production of Welfare**

In the above sections, it was argued that the choice of welfare sectors in their pure types is defined by the choice of social principles between users and providers. Based on this argument, it was generalised that the production of welfare is not only the production of social services, but also the production of social relations. This means that the production of welfare has two components: one is the transaction of social or material services; the other is the transaction of ideology, that is the reproduction of the social relations of the welfare sector.

In sum, the production of welfare carries two sets of transactions between users and providers. For example, the content of a doctor's consultation in a private clinic should not be different in nature from another doctor working in a similar specialisation in a clinic of the state sector, given that both of them are trained to the same standard of knowledge, skill and professional ethics. The difference between them is not apparent in the production of the medical service, but has arisen from social relations generated from their different sectors which are built on different ideological foundations. Thus, in a private clinic, the transaction between users and providers may be manifested in terms of a market price that commodifies social relations. Whilst the same medical consultation in a clinic of the state sector is defined by needs or some other non-market criteria which disregard the users' ability and willingness to pay.

From this illustration it can be seen that a similar medical consultation by doctors employed under different sectors can produce two distinctive kinds of normative values. It is now clear that welfare sectors have different ideologies, and they in turn reproduce their ideologies through their welfare transactions with users. However, it is not yet clear whether the same service, i.e. medical consultations, will be different if it is placed in different organisational contexts in different welfare sectors. If a group of practitioners with the same training are placed in different sectors, then the difference in their performances will only be affected by their different ideological contexts or organisational structures. As it has been argued that different sectors reproduce their ideologies in their transac-

tions with users, therefore, the remaining question is: apart from the production of sectoral ideologies, is the outcome of welfare production affected by organisational structure ?

Blau and Scott (1963,p.2) see social organisations as constituting two basic features : 1) a structure of social relations and; 2) shared beliefs and orientations that unite the members of the collectivity and guide their conduct. The social structure provides the framework for the members of the collectivity of a social organisation to interact with each other, whilst the ideology of a social organisation acts as a guiding principle for such interactions. In the context of our discussion about welfare sectors, it has been pointed out that their underlying social principles serve not only as a guiding principle for social relations between users and providers, but they also affect social relations inside the organisation of welfare sectors. It is also assumed that organisational structure is represented by its authority and administrative structures, then social relations within organisations will be determined by how these two sub-structures are organised. The authority structure defines the power relationship between owner and staff, amongst staff and between users and providers; whilst the administrative structure defines the way the service is organised, the division of labour amongst staff, and the way in which the staff interact. Theoretically, these two structures can be inter-related to each other : an authoritarian authority structure with power vested at the top of the hierarchy tends to be rigid and bureaucratic, whereas a collegiate authority structure allows greater autonomy for different levels of staff in executing their functional duties. This

means that, organisational structure is also defined by the ideology of a welfare sector.

The relationship between ideologies of welfare sectors and their organisational structures is most obvious in the informal sector. In the kinship system of the informal sector, the social relation between generations does not require any bureaucratic structure for its maintenance. It is a social organisation based on family ties. Bureaucratic structure will impersonalise the personalised social relations within the informal sector, and professional expertise, for example, of the younger generation, may upset the traditional authority enjoyed by older generations. Amongst friends and neighbours, bureaucratic structures and professional expertise are also not the basic requirements for sustaining their relationships. The structure of their social relations is informally organised and an imbalance of expertise in friends and neighbours may also erode the principle of reciprocity.

The basic characteristic of care in the informal sector is its informal response to social issues and social problems. This response is directed towards a particular person on the basis of personalised social relationships between the carer and the person being cared, for instance, care for mother, sister or friend (Qureshi and Walker, 1989, p.20). It is assumed that the family has the moral responsibility to provide for its members. It is also an informal response for neighbours and friends to help each other in times of need. The basic characteristic of these informal responses to social needs, as opposed to the official position of the carer in the formal sector, is the

carer's personalised relationship with the person being cared for. In contrast, in the formal sector, a professional detachment is required (Blau, 1968) because equal treatment of cases is the requirement in formal care. In other words, if professionals are found to have unequal treatment of cases, they will be open to the charge that their decisions may be subject to improper personal influence (Qureshi and Walker, 1989, p.206).

In the personalised care of the informal sector, there is little need for a structured organisational establishment. Formal and informal care are organised differently because care in a formal structure 'is organised to be delivered to all people in particular defined categories of need' (Qureshi and Walker, 1989, p.20). Indeed, this contrasts with the eligibility criteria of personalised social relationships in the informal sector. If such a formal structure is set up in the informal sector, the nature of its informal caring relationship will be altered to a more formal one. In other words, the ideology of the informal sector will be transformed. For instance, in a state sponsored neighbourhood care scheme, a woman is paid for the care she provides to her next door neighbour, this caring relationship is most unlikely to be based purely on reciprocity. Then, it has become part of a formal response within an organisational structure of another sector. In other words, the meaning of care in this case has changed as it is transformed by the formal sector as well as its underlying ideology.

The above brief analysis of the informal sector suggests that the authority relationship between generations in family, amongst friends and neighbours is affected by the ideology of

their sector. The paternal/maternal principle demands an hierarchical authority structure. In the case of the reciprocity principle, an equal status and share in the power relation is required; thus, an authority structure tending towards egalitarianism is expected. These principles have also affected the administrative structure of the informal sector. Thus, any bureaucratic administrative structure in this sector will contradict its basic ideology and make it unworkable. To conclude, organisational structures of welfare organisations in the informal sector are affected by the ideology of their sector.

In the study of the relationship between formal welfare sectors and their organisational structures, this section starts with the parts played by bureaucracy and profession. Charity organisations, private welfare organisations and statutory bureaucracies are formal and organised responses to social needs. The providers relate to their users in their official capacity they have in welfare organisations. Nevertheless, organisational structures of welfare organisations in the market, in the state and the voluntary sectors vary in their extent of formalisation and bureaucratisation. For instance, co-operatives, partnerships or independent practice are described as 'non-bureaucratic forms of organised response to social problems' (Billis, 1984, p.13). As one example, childminding in the private sector is both non-bureaucratic and informal. However, childminding seems to be an exception rather than a general rule in the formal response to social problems. It is indeed an informal response, but the market relation between a childminder and her users modifies its informal nature. In fact, apart from the rare case example of

childminding, those cases of 'non-bureaucratic' forms of care as suggested in above are in the category of 'less bureaucratic' rather than 'non-bureaucratic'. For example, the co-operative needs a system of rules governing the rights and duties of its members. It also requires a certain degree of division of labour in the allocation of duties amongst members, though it tends to reject an hierarchical authority structure. In the case of individual practice, take the example of doctors, they perform their duties as the incumbent of a position that requires a high degree of professional expertise.

The features of a system of rules, impersonal relationship and official position as illustrated in the above two cases are actually some of Weber's classic characteristics of bureaucracy (Weber, 1968, pp.956-958). However, even within formal organisations, there arise informal systems because like all groups, these organisations 'develop their own practices, values, norms, and social relations as their members live and work together' (Blau and Scott, 1963, p.6). In other words, the informality is embedded and nurtured by the very existence of the formality of an organisation. Thus, formal organisations are not strictly speaking 'formal' and 'bureaucratic' as they first appear; they can vary in their degree of formality and bureaucracy. As the Aston University researchers (Cousins, 1987, p.15) argue, bureaucracy is not a unitary concept, organisations can be bureaucratic in a number of ways and along several dimensions.

In formal organisations as well as bureaucracy being an organisational feature there is professionalism. Then it is inferred that formal welfare organisations, as bureau-profession-

al organisations, have two sets of control on their staff : the bureau-professionals such as social workers, teachers, and doctors. The first set relies on professional sanction and ethics, source of discipline by self-imposed standards which are internalised through professional training and socialisation; and the second one is by strict rules and regulations of the hierarchical structure (Smith, 1970, pp.25-26). It seems that a bureaucratic structure of authority is more suitable for a stable environment that requires a low level of involvement in decisions, whilst professional authority is suitable for a changing environment which gives rise constantly to fresh problems and unforeseen requirements for action (Burns and Stalker, 1961 pp.119-125). Seemingly, bureau-professionals in formal welfare organisations may vary in the extent of autonomy in their practices. For instance, those in the private sector may be pressurised by the profit motive in restricting their choice. Nevertheless, it can still be assumed that the constantly changing environment of welfare practices provide the ground for discretionary power in decision-making by professionals in formal welfare organisations.

Bureau-professional autonomy is also supported by the features of the separation of ownership from management in modern welfare organisations. This separation provides bureau-professionals with the autonomy for their wide range of choice in organisational structures. Due to this separation, statutory organisations can also be either extremely bureaucratic or non-bureaucratic because it provides the bases for bureau-professional discretion. Nevertheless, despite bureau-professional autonomy, the state sector can have the possibility of an egalitarian

authority relationship because in theory, the users are taxpayers who indirectly own the statutory services. Under this circumstance the participation of users is theoretically possible.

Regarding voluntary agencies and private sector organisations, the separation of ownership from management also allows variations in organisational structure. However, users of these non-statutory services do not have the same right as users of the state sector. For instances, if every user of a voluntary agency is allowed to have decision-making power in its authority structure, then there will be a possibility of transforming this voluntary agency into a mutual aid group. The same case is applicable to the private sector : owners of private welfare organisations have the same ultimate control over the authority to make decisions, but users of the private sector remain powerless. For example, shoppers of a supermarket can have a reasonably wide choice and some safeguards as to safety and quality. It is an entirely differently matter, however, to expect that shoppers might be involved in the management and day to day running of the store' (Walker, 1991). In both sectors, users of the service are not on an equal footing with the providers and the owners. They do not, as users of the state sector, have a social right to the service. Despite users of the state sectors have a social right, however, the reality of the separation of ownership from management allows providers of the state sector with discretionary power. Moreover the model of training based on professionalism also encourages providers as relatively autonomous experts. In this regard, power-sharing in the statutory services may be possible but without its practical barriers (Walker,

1991).

In welfare organisation, whether in the state sector or in the voluntary sector, decisions about the administrative structure, such as decentralisation or centralisation, or the range of bureaucratisation can be within the scope of professional autonomy, except from the very beginning the organisation has an ideological orientation towards its administrative structure. An example can be used to illustrate this point. The Elderly Persons Support Units started, in 1984, in Sheffield have a different administrative structure from the traditionally divided structure of organising services for the elderly people (Phillipson and Walker, 1986, p.287). The Units are locally based and the staff are required to provide all levels of care, from routine domiciliary assistance to comprehensive care of the same level as that available in a residential setting to the elderly people in their own homes. The assumption of the Units is to support families to cope with the problems of caring for their elderly members through a non-exploitative form of collaboration between formal and informal care. This case illustrates the impact of ideology on an administrative structure, i.e. decentralising to home-bound services for the elderly. However, decentralisation as a form of administrative structure has also been found in other Conservative-controlled local authorities (Beresford and Croft, 1986; Hadly and McGrath, 1984) where this form is perceived either as an administrative goal or an ideological consideration.

For another example, in a psychiatric hospital, there can be at least two different ideologies of organisation -- 'custodialism' and 'humanism'-- in determining the way the hospital should

operate in terms of its administrative structure, and its guiding beliefs and values in social relations (Gilbert and Levinson, quoted in Smith, 1970, p.10). This means a community psychiatric approach can co-exist alongside a custodial model in the same sector or in different sectors. It is because different organisations have different ideologies and bureau-professionals can also choose their own way of administration. Thus, the variants in administrative structure and behaviour can be the result of either the decision of bureau-professionals or the underlying ideology of organisation, or both of them. This means that organisational features in the administrative structure such as flexibility, innovativeness, efficiency, bureaucracy can be present in all formal welfare organisations of the state sector, the private sector and the voluntary sector.

Arguments advocating the voluntary sector as presented by welfare pluralists (i.e. Hatch and Hadley, 1981; Hatch, 1980; Gladstone, 1979), which assume voluntary organisations are more efficient and flexible etc. are not well founded. The root problem in their case is that they overlook the issues of bureau-professional autonomy and the separation of ownership from management in welfare organisations. Welfare pluralists have regarded the 'distinctive' organisational features of the voluntary sector as due to the sectoral characteristics of voluntary organisations. However, they will not have a strong case if bureau-professionals are given the necessary autonomy in their practice, then these features can also be found in the state sector.

To conclude, as far as there is a separation of management from ownership, bureau-professional autonomy can explain the wide

range of organisational features and behaviours which range from monolithic bureaucracy to flexible and innovatory bureaucracy in formal welfare organisations. This implies that there is a relationship between welfare ideology of a welfare sector and its authority structure, whilst bureau-professional autonomy provides explanation for the wide range of administrative structures in formal welfare organisations within the given ideological constraint of the sector.

### Conclusion

It was argued that different ideologies have interpreted the concept of 'welfare state' differently. This also reflects their different visions on distributive justice. Based on the study of the British welfare state, it was found that slow economic growth had triggered off the underlying tension between conflicting ideologies of the welfare state. In this light, the ideologically induced crisis of the welfare state has superseded the post-war consensus that was based on the 'distribution-through-growth' thesis. Against this background the issue of the welfare mix emerged. This issue is related to the ideologically induced 'crisis' of the welfare state because the preference of a state concerning its welfare mix may reshape the boundaries of various welfare sectors, particularly the state sector. Hence the frontier of the welfare state may be determined by the choice of a state of its welfare mix which is ideologically defined. In this regard, welfare mix is related to welfare ideology, therefore, the study of welfare mix can be a starting point in explaining

the approach of a state towards distributive justice and the mechanism it uses.

This chapter also discussed the relationship between welfare ideology of a welfare sector and its organisational structures. It was inferred that the features of the separation of management from ownership, and bureau-professional autonomy allow providers a wide range of choices in administrative structures. Whereas there is a relationship between the authority structure of a welfare organisation and the ideology of its welfare sector.

To conclude, it is inferred that welfare ideology of a state has an indirect relationship with its preference of welfare mix. As different welfare sectors reproduce their underlying ideologies through transaction between users and providers, the choice for welfare sectors by a state also indicates the ideology its wants to be reproduced in the production of welfare. Therefore, the relationship between the underlying ideology of a welfare sector and the preference of organisational structure requires attention.

## Chapter 2

### RESEARCH METHOD AND HYPOTHESES

#### Introduction

In this chapter the welfare state issues discussed in the last chapter are used to formulate the research problem and to establish the main objectives of this study. The research problem is conceptualized and is used to define the focus of the study. Then, working hypotheses are formulated and the method of testing these hypotheses is discussed. The reasons for the adoption of the multiple-embedded case design are also elaborated. The selection of child daycare policies between Britain and Hong Kong as two case studies are examined.

#### Main Objectives of the Study

In Chapter 1, the welfare state crisis in Britain was analyzed as an ideological crisis reflecting different underlying assumptions about the nature and role of state in welfare. The debate on welfare mix reflects such ideological differences, for welfare sectors reproduce the kind of social relations they possess in their transactions with users. Also discussed in the last chapter was the fact that the welfare state crisis reflects differences in ideological assumptions about distributive justice. Therefore, it is clear that the shift by a state in its

welfare mix will reflect its ideological assumptions. Hence, the study of the ideology of a state can indicate its possible choice between welfare sectors. Based on these discussions, the present research question has been formulated : why do societies choose different welfare mixes ? It seems that state ideology provides a plausible explanation.

It is assumed that the study of the relationship between the ideology of a state and its welfare mix is important. Because if state ideology provides the main explanation affecting a mix of welfare sectors, then the study of service performances and sectoral difference will be less important. In this light, the intrinsic organisational features of welfare sectors as claimed by welfare pluralists (Gladstone,1979; Hadley and Hatch,1981) would not be a strong argument. A brief review of how a few selected societies regard their welfare mixes may help to clarify this controversy. Three societies have been chosen: Hong Kong, Britain and China.

**HONG KONG**-- Since the early 1970s, the Hong Kong Government has assumed a greater role in the social production and distribution of welfare and it supports the voluntary sector as the main provider of social services especially in education and personal social services. The voluntary sector is highly praised as being more flexible and innovatory as compared with the state bureaucracy in responding to emerging social needs and service improvement (Hong Kong Government, 1973, pp.4-5). Besides, voluntary agencies have also been regarded as the vanguard in developing social welfare in Hong Kong especially in the 1950s and 1960s (Webb, 1977) because at that time overseas church bodies consid-

ered Hong Kong as a refugee society requiring massive charity relief.

**BRITAIN--** In Britain, the state sector has been the main provider since the early stage of British welfare state development. Comprehensive state social services are seen by some welfare state advocates as the most effective and acceptable response to social problems (Webb and Wistow, 1982, p.59). They assume that the state sector can 'offer coherence, potential integration, equity and a host of other positive advantages' (Brenton, 1985, p.206). In contrast, the voluntary sector is perceived differently by them as a vehicle 'for upper and middle class philanthropy appropriate to the social structures of Victorian Britain' (The Seebohm Committee, 1968, p.153). Until recently, the state sector has dominated in the provision of personal social services as well as in education and health. But the shift of the Thatcher Conservative government to a minimalist state position had affected the role of the state. The Thatcher government intended to roll back the frontiers of the state, of 'which the statutory role ceases to be wholly - or even primarily - that of service providing' (Webb and Wistow, 1987, p.94). The proper role of the state for Thatcherite conservatives should be the 'enabler' of other non-statutory sectors (Webb and Wistow, 1987, pp.94-5). This view has been coincided with the welfare pluralist critique of the state sector as bureaucratic, inefficient and remote from users (Rose and Rose, 1982; Hadley and Hatch, 1981). On the contrary, the non-statutory sectors have been praised for their flexibility, innovation and efficiency (Brenton, 1985).

**CHINA**-- In Mainland China, the state sector has not been the main provider of welfare. Welfare has been mainly distributed by one's employing organisations, whether it is a state enterprise or a collective, as a kind of 'workfare' (Dixon, 1981). As for those without jobs they are taken care of by their families. The state sector acts only as the last resort for those without jobs and without the support of their family (Leung, 1990). There had been a clear absence of private welfare until Deng Xiao-ping initiated the Economic Reform in 1978. Until then, the private sector had been attacked as exploitative and was contradictory to the socialist goals of the Communist Party of China. However, Deng Xiao-ping's Economic Reform has allowed the emergence of self-employed enterprises which re-activate the need for organised social care apart from the work-related collective welfare (Wang and Huang, 1990).

Based on the preceding brief reviews, it seems that different societies perceive their welfare sectors differently and at different times. In one society (for example, Britain), the state sector is praised by some as offering coherence, potential integration and equity; whilst in another (for example, Hong Kong), it has been a less dominant sector in the provision of services and the voluntary sector is regarded as the vanguard. It seems that the 'distinctive organisational feature' argument of the welfare pluralists fails to provide an adequate explanation for such diverse perceptions on welfare sectors amongst societies. The ideology of the state offers an alternative to the welfare pluralist approach in the analysis of the different mixes of

welfare sectors in different societies.

Besides, the study of the relationship between state ideology and welfare mix points to the fact that a welfare sector can reproduce its ideology through welfare transactions with its users. Thus, the preference of a welfare mix is less of a technical choice and more of a choice of different ideological assumptions about social relations between users and providers. The government-in-power is likely to favour a welfare mix which reproduces its own ideology through welfare production.

As state ideology has been hypothesized to predict welfare mix, the various ideologies of the welfare state have to be differentiated to see whether such an analytical tool is possible. The next step is to analyze the ideology held by a government-in-power in a society under study in defining its choice of the welfare mix. And then, the theoretical models constructed can be used to compare the selected policy as a test of the explanatory validity of ideology.

### **Conceptualization of Ideology of Welfare State**

The basic question of welfare state concerns the redistribution of social resources. Welfare state assumes a necessary separation of the state and the economy since the capitalist market system fails to solve the social problems it has generated. The state has to take command over social resources and redistribute them according to criteria other than the market principle. Since redistribution requires a normative judgment, different theories prefer different approaches towards welfare

distribution and production.

Welfare state, as a highly abstract concept, is one of the representations of the construct of state. So, first of all, the concept of state is to be defined. Definitions of a state usually include the three branches of a government and its bureaucracy. Authors like Althusser see institutions such as churches, schools, <sup>the family</sup> the media and the political parties as 'Ideological State Apparatuses' (Althusser, 1971). Poulantzas (Taylor-Gooby and Dale, 1981, p.177) ~~goes even further to include 'from a certain point of view, the family' as part of a state.~~ Clearly, this view has the risk of not drawing a distinction between a state and a civic society. The peculiarity of the state system is its publicly sanctioned force over civic society and other components of the political system; for example, political parties, trade unions and pressure groups do not possess this force. Therefore, even Althusser ~~or Poulantzas~~ would not deny that the government is more powerful than those 'non-state' institutions because the former has the legitimacy to command the resources and enforce coercion on its citizens.

Of the three branches of a government, the executive branch is usually the most powerful in controlling the political system and directing the economy and the society. So, it is more practical and manageable to confine the concept of a state in this study to the government-in-power -- the executive branch of a government, which is also usually referred to as the government.

This study also assumes that the government is not, as understood in the classic Marxist perspective, an executive committee of capital (George and Wilding, 1985, p.105). Different

interests of the society can compete through the electoral system to control the state. It is the objective of this study to see how the welfare ideology of a government can influence the outcome of its welfare mix. Based on this definition, a limitation of this study is that other state components such as the legislature, as well as other 'non-state' institutions of the civic society or political system are not looked into.

Ideology, as defined in Chapter 1 as a configuration of relatively abstract ideas and attitudes, is used as the guiding principle for people to the external world. However, ideology must not be seen as a very systematic set of ideas and values. According to Therborn (1980,p.2), ideologies are a discursive kind of social phenomena, including both everyday notions and 'experience', and elaborate intellectual doctrines; both the 'consciousness' of social actors and the institutionalized thought-systems and discourses of a given society. Even though an ideology is a set of values and ideas of a discursive kind, it differs from values and ideas because of its 'relatively high degree of inter-relatedness or functional inter-dependence' (Smith, 1970, p.9).

As suggested by Taylor-Gooby (1985,p.96),

the notion of ideology involves the claim that people's ideas, beliefs, attitudes and values are not simply to be taken for granted, but that they admit of explanation: that coherent accounts of the consistencies and changes in ideas can be given.

However, it should be cautious even though ideology offers an important explanation for practice, yet it is just one of the many variables. Hence, 'it is just as foolhardy to use them as

sole pointer to practice as to ignore them altogether' (George and Wilding, 1985, p.122).

The controversy over ideology lies not so much in its definition but on its relationship with material condition. Marx (1959), in his 'Preface to a Critique of the Political Economy' presupposes that material base determines ideas. According to Marx,

The mode of production in material life determines the general character of the social, political and spiritual processes of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness. (1959, p.84)

Marx sees such a determination of social consciousness by material conditions of production as a crude fact, not a result of logic (Marx and Engels, 1970, p.42). However, one may query why Marx chose the production of social labour as the 'human essence'. As argued by Collier (1981, p.5), 'A value-judgment is surely operative in the selection of one human faculty for this privileged status of "essence" ' in determining other human faculties, i.e. social consciousness. This deterministic approach is also challenged by Plamenatz and Russell (Taylor-Gooby, 1985, p.103-4), if this theory is interpreted rigidly, it will mean that no alternative to social existence is possible. Therefore, the link between mode of production and ideology must be interpreted as being more loose than this : that particular modes of production tend to foster the general acceptance of a particular climate of ideologies. From this flexible interpretation of the link between material conditions and ideologies, the role of ideology can be conceived as a relatively autonomous force of

consciousness. It can float free from material conditions. Based on this presumption: the domination of one class is not only by the brutal use of force, but also based on the class hegemony of a dominant ideology (Lukacs, 1971; Bogg, 1976, p.17). Thus, it seems that the struggle for social change takes place not only in the political arena, but also in the development of ideological hegemony.

In sum, in this study, ideology is referred to as the welfare ideology of the state. It is conceptualized as a set of values, attitudes and beliefs, however loose, and is functionally inter-related to how the state distributes its social resources. They are called 'ideological' because they function primarily through ideologies. In the analysis of the production of welfare in the last chapter, it has been assumed that this production includes not only the transaction of social and material goods, but it also reproduces the ideology of the welfare sector in the same transaction with its users. Welfare sectors, as public or private institutions, must be conceived as agents carrying normative values between users and providers. They are like those 'Ideological State Apparatuses' in Althusser's conceptualization of state and 'non-state' institutions, because they carry the function of the state in reproducing the state power.

### **Conceptualization of the Welfare Mix**

In the first chapter, the welfare mix was classified into four welfare sectors -- the state sector, the voluntary sector, the private sector and the informal sector. The state sector is

referred to as the statutory services which are provided by both central and local governments-in-power. The private sector is referred to as the operation of the market for profit motives in the social services field. Whilst the informal sector is referred to the care amongst family members, kin, friends and neighbours.

There is a problem in defining the voluntary sector for many voluntary organisations are no longer strictly 'voluntary' in their services. They can employ paid staff with professional training and qualification as the state does. They can also work as agents in carrying out the policy of the state. In this way, the boundary between the state and the voluntary sector has become blurred. Therefore, it would be wise to follow Kramer's classification (1985) to divide voluntary organisations into two main groups -- the voluntary agencies and the voluntary associations. The voluntary agencies are those organisations operated by professional staff whether they receive government subsidy, whilst the voluntary associations are those organisations that consist of community groups, mutual aid groups and self-help groups. These groups are operated by their own members for their own benefits and offer services mainly of a reciprocal nature.

It is important to notice that a welfare sector has different dimensions and functions. It is especially true in the case of the state sector which, besides the dimensions of provision and finance, also has the unique dimension of imposing regulations on other sectors. In view of the multiplicity of dimensions in welfare sectors, the production of welfare should include the transaction of cash benefits or their substitutes, or even in an extreme interpretation of the argument, the imposition of regula-

tion by the state sector carries a transaction of welfare. Thus, a shift in the welfare mix of a society may imply more than a shift in the dimension of welfare sectors as providers of welfare.

The use of the term, welfare mix, reflects the fact that the statutory services are not necessarily the sole, or even the primary, means of help (Rose, 1986, pp.13-14; Webb and Wistow, 1982, pp.2-3). So, welfare mix is conceptualized as the contribution of the four welfare sectors towards welfare in society, but the 'mixed' provision neither implies coordination nor partnership amongst sectors. Nor does it imply that a multiplicity of provisions is beneficial.

Some welfare pluralists like to see 'a mixed system in which the state would be less dominant' (Johnson, 1987, p.57) but they fail to see the fact that sectoral differences cannot account for differences in service performances amongst sectors (Brenton, 1985; Ringen, 1987, pp.100-101; Knapp, 1989). Thus, the issue of reproducing ideologies of welfare sectors through transactions between providers and users is brought into focus.

Therefore, the conceptualization of welfare mix should not be limited to the transaction of social and material goods and services, either in-kind or in-cash. On the contrary, it should be expanded to include the reproduction of ideologies. The theory of the production of welfare (Knapp, 1984; Judge and Knapp, 1985) only attributes sectoral differences to the variants in the forms of organisation and technology of production. This theory has neglected the fact that welfare sectors can also reproduce social relations.

## Propositions and Hypotheses

Based on the theoretical discussion in the last chapter on the issue of the welfare state and welfare mix, it has been proposed that the ideology of the welfare state can be used to explain and predict the precise pattern of a country's welfare mix. The following propositions have been generalised to form the base for the testing hypotheses:

1. *It is likely that there may be a definite relationship between ideology and the role that a state occupies in welfare and its policy of distribution.*

2. *The role of a state in regulating, financing and providing social services is likely to have a definite relationship in shaping the role of other welfare sectors in accordance with its ideology.*

3. *It is likely that there may be a definite relationship between ideology and the forms of organisational structure adopted by welfare organisations in the production of social relations.*

These three propositions assume that ideology is the most important variable in defining welfare mix and the production of welfare. Based on these three propositions, the main hypothesis can be formulated as follows:

*In the different societies under study, the welfare ideology of a state is likely to be the main factor in the outcome of welfare mix and the form in which welfare is organised in the production of social relations.*

## Constraining Variables and Subsidiary Hypothesis

It is assumed that there is always a discrepancy between theory and practice. Therefore, the validity of a hypothesis lies not only in its ability to explain the likely outcomes but also

its ability to predict the unlikely situations. The main hypothesis of this study suggests that ideology of the welfare state is likely to be the main factor. This means that there are other intervening variables constraining welfare ideology in predicting outcomes. The contrary cases should constitute a subsidiary hypothesis in explaining the constraints on the independent variable. These variables are discussed in brief below:

**1. Class Explanation:** Apart from the welfare ideology of a state, class might be another factor explaining the choice of a state on social policy. Welfare states are societies with a predominantly capitalist mode of production, they might base the choice of their social policy on class lines. Classes in capitalist societies, in Marxist terms, are defined by their relations to the means of production: the capitalist class owns the means of production whilst the working class has to sell its labour and be exploited by the former. In this light, classes are social groups in antagonistic relation to each other within the capitalist mode of production. But the class explanation seems unable to account for the role of a state in welfare especially for those policies which are against the immediate interest of the capitalist class as well as those which cut across class lines.

The relative autonomy thesis of the state provides an explanation of the seemingly anti-capitalist welfare actions of the capitalist state. As suggested by O'Connor (1973), welfare can serve as a function of legitimation for the benefit of longer term interests of capital. Based on the analysis of the peculiarity of the capitalist mode of production, Gough (1979) also

argues that in this mode of production, 'exploitation takes place automatically within the economic system; that is, the extraction of surplus labour does not require the political coercion' (1979, p.39). Therefore, in capitalist societies, the economy can be separated from the state as there is no structural need of such fusion as in other modes of production, for example, in feudal and slavery systems. Hence, the capitalist economy has a momentum or dynamics of its own which are again basically outside the control of any agent or class; or there is no pressing need for such explicit control. In other words, it is inferred that the state can emerge as a political force to serve the 'common interest' of all 'free and equal individuals' under capitalism (Gough, 1979, p.40). Based on this analysis, the class explanation can only provide a long term perspective on the choice of social policy; if not, it will have to explain the confounding effects of many intervening variables.

**2. Industrial and Economic Growth:** Convergence theory (Flora and Alber, 1981; C. Kerr *et al.*, 1960; Pryor, 1969; Wilensky, 1975) based on the logic of industrial and economic growth offers one of the explanations for welfare action of the state. For example, Wilensky (1975,p.47), who concludes from his analysis on social security spending of sixty countries in 1966 that, economic level is the 'best explanation of welfare efforts for many countries ... Results are consistent with or without inclusion of ideology, political system or military spending'. Wilensky's convergence theory assumes that all advanced industrial societies would develop similar institutional arrangements. The underlying force is the logic of industrialism (Esping-Anders<sup>e</sup>n, 1990, p.13;

Mishra, 1973, p.538) that compels the development of state welfare action and disregards the ideological differences between countries. This theory can be seen as a specific form of functionalism (Johnson, 1987, p.28). Functionalism tends to oversimplify divergence between systems and neglect human intention (Elster, 1982, p.463). Similarly, the problem of convergence theory is its oversimplification of the patterns of development in the welfare state and the lack of account it takes of the diverse patterns of development in many industrial societies. The adverse pattern could hardly be explained adequately by statistical generalisation in Wilensky's study. Thus, the convergence theory is invalidated by the divergence amongst countries, like Russia and Japan, even though they are advanced industrialised societies (Higgins, 1981, p.40). It is also invalidated by the underdevelopment of state welfare in those newly industrialised countries in the East, for example, Hong Kong, Singapore, South Korea and Taiwan, despite their enormous economic growth and industrial development (Lin, 1991; Roh, 1989).

**3. Labour Market and Demographic Structure :** Labour market and demographic structure are often cited as variables in explaining the outcome of state welfare. However, as with economic development, they are also not sufficient on their own to determine the outcome of state welfare. They are also not able to explain the diverse range of state actions in similar labour markets and demographic structures in different countries. The high level of unemployment may trigger off a change of ideology of certain groups of people, for example, from liberalism to neo-liberalism;

however, it may not be able to alter a government-in-power's basic principles governing state welfare. For example, a significant pool of unemployed labourers can be regarded by neo-liberals as a necessary and favourable condition to supply cheap labour that is essential for a competitive economy in the face of hostile world capitalism. The quantitative increase in unemployment benefits does not qualify as a qualitative change in the ideological nature of the state. The diverse pattern of state welfare in western countries after the last Great Depression of the Thirties is supportive of this argument. Along the same lines, the change in demographic structure may increase the amount of people asking for welfare, for example, the number of old people relying on social security and residential care; however, it does not mean that the state will necessarily provide welfare for them.

**4. Political System :** It is certain that in different political systems, the power of the executive branch of a government would be varied according to the extent of its control over the various institutions of the state, as well as the authority and power of these institutions in relation to various societal forces. For example, in the British parliamentary democracy, a government-in-power with a majority in the Parliament is likely to be in greater control of various state institutions than a minority government that has to rely on the coalition with other minority parties in order to maintain a majority in the same system. This suggests that the greater plurality in a political structure, the less powerful a government may be. However, theoretically speaking, the political system should be regarded only

as a necessary condition but not sufficient enough to explain the outcome of state action. A contrary illustration can explain this point. For instance in a two-tier system, if the local government holds the same ideology as the central government, the same pluralistic political system would be unlikely to be an intervening variable in state ideology. A pluralistic political system is a necessary variable but is not sufficient enough in constraining the welfare ideology of the state. However, it is a necessary condition for any opposing ideology to acquire the institutional arena in constraining ideology.

**5. Opposing Ideologies :** It can be assumed that state ideology would be more powerful under a political system with a fusion of power between executive and legislative branches than in one with a separation of powers. In this sense, in the British parliamentary system, a government-in-power with a clear majority in the House of Commons, is likely to be more effective than the executive President of the American system who will be restricted if both Houses of the legislature are controlled by the opposing party. In other words, the lower tier government in a federal system should have a higher degree of autonomy than the same tier of government in a unitary system in carrying out policies other than the central government-in-power. And it can be assumed that, the most powerful state ideology is one which operates in a political system which lacks any devolution of power to any lower tier government or does not have any lower tier government.

On a more operational level, individual organisations in the non-statutory sectors can have their own choices apart from state ideology as far as they are operating within the rule of law.

That means a socialist government may be constrained by numerous private and voluntary organisations in its planning and executing roles. In this case its power would be undermined by a welfare mix which is dominated by strong non-statutory sectors. The government has to rely upon its regulating, financing and providing roles to change the situation to its favour. Based on these arguments, it can be generalised that state ideology is likely to be constrained to some extent by opposing ideologies at all levels.

**6. Relative Autonomy of Bureau-professionals :** The second intervening variable identified is the relative autonomy of bureau-professionals. This variable assumes that the personnel in the administrative bureaucracy and service professions would have their own logic of rationality from the sectors in which they are employed. Bureau-professionals are not only found in welfare capitalist societies but can also be identified in their prevalence in those 'socialist' states in East Europe and Asia. Bureaucracy and profession are not capitalist phenomena. Regardless of the ideological belief of a government, it has to provide social services that are either related or unrelated to class interests. Therefore it seems that bureau-professionals are indispensable in modern societies.

An hierarchical structure is a main feature of bureaucracy, in which the senior staff at the top have to set the rules and procedures for dealing with issues in a routine way to ensure a smooth and standardised operation at different levels, especially at the end of the consumption point. However, the services pro-

vided by the state are not all straightforward requiring little discretion by bureau-professionals. In this regard, staff in 'professionalised bureaucracies', are in a better position than their counterparts in 'classic bureaucracies' (Taylor-Gooby and Dale, 1981, p.206) in exercising their flexibility in the context of given legal and administrative rules and procedures. For the strictly allocative services, for example, the transfer of cash benefits to claimants, the classic bureaucratic structure is appropriate to handle this since the fulfillment of these purely allocative functions requires a low degree of flexibility and discretion. However, for those social services that require personalised judgment and discretion, the state or the welfare bureaucracy would have to allow bureau-professionals to fill the vacuum of discretion.

The relative autonomy of bureau-professionals suggests that the power of state ideology could also be resisted at various operational levels and in different sectors. Thus, it will not be surprising to see a collegiate structure in staff relationship in a welfare bureaucracy under a Conservative local authority in Britain. Similarly, the Thatcher's government in Britain in its third term had been strongly criticised by various health professional bodies across the ideological spectrum for its relentless underfunding of the National Health Service. This is another illustration of the relative autonomy of bureau-professionals.

**7. Flexibility of Ideology :** The last variable identified is the flexibility of ideology in interpreting state action. There are two reasons for such flexibility. First, ideology can change over time due to its interplay with reality. Second, the different

emphases in values and principles can produce a wide range of state actions for the same ideology.

Thatcherism could be differentiated from traditional conservatism because the former had incorporated the neo-liberal ideology when facing a different reality from the latter. However, the endorsement of market principle as its preference did not indicate the separation of Thatcherism from the global values of conservatism in its belief in tradition and authority. The emphasis on self-reliance can be interpreted as part of the conservative ideology for it does not challenge the conservative hierarchical authority and welfare transfer is still not regarded as a right for the user.

In its interplay with reality, ideology does not necessarily change its fundamental values and principles. But in order to adjust to different realities at different times, ideology is interpreted differently. This is the reason why there is a wide range of strands in a broad church of ideology like conservatism.

The flexibility of ideology in interpreting state welfare has also arisen from its different emphases in values and principles. For example, a selectivist approach can enhance equality of outcome for deprived groups; however, it will also at the same time stigmatise these groups by the same strategy of not aiming at equalising their social status by preferential treatments. The situation is even more complicated, for ideology does not have only one value or principle. The welfare action of a state which is based on one value can be at variance with another value of the same state ideology. The dilemma between equality of social status and individual choice is an example of this kind. If the

state provides universal high-level services for all people, a greater equality of social status will be expected. However, a single provider will limit people's freedom to choose.

Moreover, if individuals are given more choices in a welfare mix, the state will not be able to ensure the same equal outcome for the deprived groups since they are less able to pay and choose due to their unequal position with regard to wealth and education. The dilemma will provide a range of choices each of which can be justified at different extent within the same ideological framework. In sum, the flexibility of ideology in interpreting state welfare has stemmed from its change over time as the result of an adjustment to the changing reality and its different emphases in values and principles.

Based on the above analysis, the following propositions have been generalised:

- 1. Opposing ideologies is likely to constrain state ideology at all levels.*
- 2. Bureau-profession is a constraining variable on state ideology and this is explained by its relatively autonomous nature in welfare production.*
- 3. The change over time in state ideology and its different emphases in values and principles constitute its wide range of interpretations in different state welfare forms.*

Based on the above propositions, a subsidiary hypothesis has been generalised:

*State ideology is likely to be constrained by its interplay with opposing ideologies, the relative autonomy of bureau-professionals and its relatively flexible interpretation in state welfare.*

The main hypothesis will be used to explain the likely outcomes whereas the subsidiary hypothesis will be used to pre-

dict the contrary. In the analysis of practical policies, the various constraining variables shall be stated and analysed to assess their impact on the main hypothesis.

### **Interplay between Theory and Practice**

There are two main approaches in comparative studies on social policy. The deductive approach starts with certain behavioural premises and 'deduce[s] the policy patterns and relationships that can be expected to result', and the inductive approach assumes that 'behavioural regularities are not posited at the outset but are inferred by observing the many interactions among partially opposing interests that occur on any public policy issue' (Heidenheimer, Heclo and Adams, 1983, p.3). The deductive approach offers us a systematic analytical framework for observing disjointed phenomena; however, in the real world, there is always a discrepancy between reality and theory. Starting from another assumption, the inductive approach highlights the complexity and uncertainty of the policy-making process. The only consistency is the observation of the inconsistencies between opposing interests. Such an emphasis on the interplay between partially conflicting interests tends to overlook the importance of behavioural premises in policy choices. Policy choice is more or less regarded by inductionists as procedurally defined by the bargaining of conflicting interests.

Both approaches, as argued by Dubin (1978, p.18), are 'only a direction of movement'. He warns that if we only focus on deduction and induction separately, then we will leave out the

most important element : the linkage between the model and the empirical world to which it applies (Dubin, 1978, p.18).

In order to avoid the weaknesses of the two approaches, it is possible to start with forming theoretical models and deducing the policy patterns and their inter-relationships. These theoretical models can then be used to compare with practical policies. Such a comparison between theory and practice can help to identify a general pattern from the specific patterns between societies and can serve as a test of validity of the theory as a measurement of the reality.

It is important to start from the deductive approach because theoretical models tend to oversimplify the various trends and conflicts and help us to point towards important lines of enquiry. As suggested by Titmuss (1974, p.136), models or theories which are based on the deductive approach can stimulate us 'to ask the significant questions and expose the significant choices'. Therefore, the first step is to construct theoretical models of the welfare state. These theoretical models can help to clarify the boundary of the research area and form the ideal indicators for a selected group of normative theories of the welfare state. The second step is to construct a specific social service according to the analytical framework and compare it with the ideal indicators of the theoretical models.

### **Constructing Theoretical Models of the Welfare State**

Theories of the welfare state are normative theories. Normative theories, as conceptualised by Cohen (1972,p.2), are one

type of theory which elaborate a set of ideal states to which one may aspire; such theories, like those of ethics and aesthetics, are often combined with theories of a non-normative nature to constitute ideologies, artistic principles, and so on'. In this light, normative theories and ideologies are similar types of value-sets, and ideologies are a larger unit that can embrace normative theories. However, if a theory is characterised by its ability to explain and predict social phenomena, then it is clear that ideologies should be differentiated from ideological models or normative theories. Ideologies are not sets of propositions like those found in normative theories, and are not used to explain and predict social phenomena. They must not be seen as very systematic sets of ideas or values. Ideologies are a discursive kind of social phenomena (Therborn, 1980, p.2) even though they admit to explanation. Therefore, the aim of this study is to transform ideologies into testable theoretical models.

Theoretical models are theoretical abstractions used to represent social reality. These abstractions are based on a set of propositions which are arranged in a deducible manner. A proposition is defined as a statement of relationship between two or more variables or concepts (Denzin, 1973, p.43), and a hypothesis refers to a testable proposition which substitutes the appropriate empirical indicators in the propositional statement (Denzin, 1978, p.8), then a theoretical model consists of variables that are interrelated in a deducible manner. Some variables may explain the others within the confines of the framework of a theoretical model.

Propositions and hypotheses have been formulated in this

chapter, the next task is to operationalise the variables in the hypotheses into indicators for comparison between theory and practice. The main variable in the hypotheses, as already argued, is the ideology of government. The working hypotheses formulated are used to examine the extent to which ideology can influence welfare mix and the production of welfare. In testing the validity of the hypotheses and in order to construct the framework of the theoretical model for study, indicators of the various variables need to be identified.

Welfare ideology has been defined in the above section as a set of values, attitudes and beliefs, however loose, and is functionally inter-related to how a state distributes its social resources. For instance, welfare ideology addresses the question of resource redistribution and the reproduction of ideology through welfare transactions between users and providers. In conceptualising welfare mix, the theory of welfare production (Knapp,1984; Knapp and Judge,1985) is extended to include the production of social relations through welfare transactions between users and providers. So, the production of welfare sector is not confined to the transaction of social and material goods, but it also includes the transaction of the ideology of welfare sector. Thus, in this theoretical model, welfare mix and welfare production are most likely affected by the ideology of a government, although it is understood that in reality the transformation of ideology into practical policy is much more complicated.

In theory construction, it is assumed that there are close relationships between welfare ideology, welfare mix and welfare production, and it is also assumed that the latter two variables

can be deduced from and explained by the first one. If welfare ideology can be further represented by three separate but related variables, i.e. social values, the role of the state and its policy of distribution (as these three variables are welfare assumption, belief and principle which are inter-related with each other), then it will explain why and how a state distributes its social resources. A simple example can briefly illustrate this point : if equality of outcome is widely accepted as a social value in a state, then it is likely that this state, in order to rectify the social and economic inequalities in capitalism, will assume the responsibility to provide welfare other than that distributed by the market system. In this light, the role of the state should be interventionist in nature. This state also tends to provide welfare according to a universalist approach as not to stigmatize the deprived and prevent a condition of greater social inequality amongst different social classes from emerging.

Thus, together with welfare mix and welfare production, the social values of a state, its role and policy of distribution can form the framework of a theoretical model in studying the relationship between welfare ideology, welfare mix and welfare production. Such a framework of analysis can then form a basis on which theoretical models of welfare state can be constructed. Then, these models are compared with the practical policies under study.

### **Analytical Frameworks for Theories and Practical Policies**

It has been hypothesized that these five variables are

inter-related with each other, and some may explain the other in a deducible manner. Empirical indicators of these variables will be formulated to compare with the practical policies under study. In the following, the five variables have been operationalised for the study of normative theories :

1. *Social values* - the normative assumptions of the state about welfare in terms of equality, freedom and state action.
2. *The role of the state*
  - a. The normative assumption on the role of the state along the continuum between minimalist and interventionist states.
  - b. The roles of the state in the provision, finance and regulation of welfare.
3. *The policy of distribution*
  - a. The belief in access to welfare as a right.
  - b. The choice between universal and selectivist approaches towards the distribution of welfare.
4. *Welfare mix* - The choice of welfare sectors and their ideological assumptions.
5. *Welfare production*
  - a. The choice of the kind of social relations in the production of welfare.
  - b. In the administrative structure, it is the choice about the extent of bureaucratisation and decentralisation in welfare organisations. In the authority structure, it is the role of the user and staff in the decision-making mechanism of welfare organisations.

Based on the above five variables of this theoretical framework, selected welfare theories will be reformulated. Then, they will constitute sets of ideological expectations or ideal indicators for comparing with empirical indicators of the practical policies under study. The conversion of welfare theories into indicators will be left to Chapter 3.

In analysing practical policies, the study focus is the outcome of service provision. The discrepancy between policy choice and the outcome of service provision can be used to measure the relationship between the variables to be tested. In other words, this is the testing of the hypotheses.

In discussing normative welfare theories and in the discussing the practical choices of governments-in-power, it is more appropriate to use the concept of 'government', rather than the more theoretical and abstract concept of 'state'. In the following, the areas of study for practical policies have also been operationalised:

### **Policy Choice Dimension (Independent Variables):**

1. *Social values* - the ideological assumptions of the government about welfare regarding equality, freedom and government action.
2. *The role of the government*
  - a. The role of the government in the continuum between minimalist and interventionist states in the social service under study.
  - b. The practical policy of the government in the provision,

the finance and the regulation of the social service under study.

3. *The policy of distribution*

a. The approach of the government between universalist and selectivist criteria in distributing the social service under study.

b. Assessing the outcome of the policy of distribution on providing the social service under study, for example, users as a stigmatised social group.

**Policy Outcome Dimension (Dependent Variables):**

4. *Welfare mix* - outcome of the welfare mix.

5. *Welfare production*

a. Outcome of social relations in the production of social service under study.

b. In the administrative structure, it is the choice about the extent of bureaucratisation and decentralisation in social service organisations. In the authority structure, it is the role of the user and staff in the decision-making mechanism of social service organisations.

This analytical framework forms the base of data collection for the two case studies of Hong Kong and Britain. And the operationalised indicators which are to be constructed in Chapter 3 for each normative theory of the welfare state will serve as ideal expectations/ideological indicators in comparing with the practical policy for analysis. In the analysis of practical policies, alternative variables are to be identified and examined

to see their effects on the main hypotheses.

## Multiple-case Study Design

For the study of practical policy, the comparative approach or 'multiple-case design', as suggested by Yin (1984, p.44) is adopted. Regarding comparative studies, Yin (1984, pp.47-48) suggests that single-case studies are in the same methodological framework with comparative studies (multiple-case design). To choose the multiple-case design has often been considered more compelling because if similar results are obtained from multiple-case studies, 'replication is said to have taken place' (Yin, 1984, p.48). Or, in Higgins's words (1981, p.12), evidence from comparative studies can help us to differentiate the general from the specific. This means that, if the same evidence can be validated by other cases, this replication process will prove the evidence as a general phenomenon. Therefore, if a case is unique and cannot be repeated for investigation, multiple-case design will not be applicable. Historical episodes are of this kind. In this study, the relationship between ideology of the welfare state and welfare mix can be found amongst societies, therefore, multiple-case design can be used to support the external validity of the finding.

As the conduct of a multiple-case study may require extensive resources and time beyond the means of a single student researcher, this study has to be confined to only two societies - Britain and Hong Kong. The terminology for research design is still used although the actual design is a 'dual-case' study.

Hence, there are two sets of comparisons. The first set compares those theoretical models with a selected practical policy; and the second compares the two societies under study. Such a design will examine the interplay between theory and reality, or between behavioural premises and practical policies.

Regarding the selection of Britain and Hong Kong as societies for study, their contrasting welfare mixes are the main factor of interest to this research. Britain has a predominant state sector whilst Hong Kong relies heavily upon the voluntary sector to provide personal social services and education. Besides, contrast has also been found in the example of daycare policy for pre-school children in these two societies.

### **Embedded-case Design and Holistic-case Design**

Within the study of a single case, there can be two choices of study design. As suggested by Yin (1984,p.44), the same case study may involve more than one unit of analysis, and this is termed as an 'embedded-case design'. In the case of one unit of analysis, a 'holistic-case design' can be used. The rationale for embedded-case design is that a single public programme may compose of several individual projects. So, both the larger unit and the various sub-units should be studied with a logical linkage between them. The findings in both units of analysis can be complementary to each other.

The embedded-case design can be used to study the policy in Britain. Personal social services in Britain are managed by local authorities which are elected bodies operating within a national

policy framework set by the central government; hence, both units of local and central governments have to be covered in a study of the British policy so that the interplay between them in policy choice can be seen. However, this two-stage design is not necessary for studying the policy of Hong Kong, as the city-state only has a single tier government system, and social welfare is centrally administered and financed.

### **Measurements of Theory and Hypotheses**

The first objective of this research is to measure the predictive ability of normative theories on practical policy. The tactic used is pattern matching. Thus, the ideal indicators of the normative theory would become the pattern of indication to match the practical policy outcome of the two case studies (Chapter 6). These indicators which are to be constructed in Chapter 3 for each normative theory will be used as pre-test patterns.

The second objective of this research is to measure the hypotheses formulated in this chapter. The selected policy in each society will be constructed according to the analytical framework. Based on this policy reformulation, the type of normative ideology of that particular government is identified. As it has been hypothesized in this study that state ideology is to predict welfare mix and welfare production, so a pre-test pattern of ideological indicators are to be deduced. These ideal indicators are used to compare with the empirical indicators of the practical policies. In this light, the discrepancy between

policy choice (i.e. the ideal expectations/ideological indicators of the normative ideology of a government) and the outcome of service provision (i.e. the empirical indicators of the practising policy of a government) is used to measure the relationship between variables being tested.

The validity of the hypotheses depends on various measurements of validity and reliability. In this case study design, measurement tactics have been selected as follows:

1. **Construct validity:** This is to establish correct operational measures for the concepts being studied. Constructing the specific indicators according to the analytical framework for each normative theory of the welfare state and each practical policy of the government under study can help to establish correct measures of the variables under study (Chapter 3). Multiple sources of evidence also help to establish the construct validity (Chapters 4 and 5).

2. **Internal validity:** This is to establish the causal relationship between the independent variable and the dependent variables. Indeed, this constitutes a matching between the pre-test pattern and the empirical patterns of practical policies. In this case study, the expected indicators of the welfare mix and welfare production deduced from the government ideology of the case study are used as a pre-test pattern and are used to match against indicators of the outcome of welfare mix and welfare production (Chapter 6).

**3. External validity:** This is a result of a series of iterations which starts from a comparison of the findings of the case with the hypotheses or generalisations, and revising them for the comparison with the succeeding findings of the second, third, or more cases. This process of refining a set of ideas, in which an important aspect is again to entertain other plausible or rival explanations. In other words, this is to employ a logic of replication by which cross societal comparison is used to extend the external generalisation of the hypotheses (Chapter 6). In this case study, it is to compare of the findings of the second case with the hypotheses and generalisations of the first case.

As this case-studies design does not rely upon survey method in collecting data, but it relies on theoretical generalisation. If the theoretical generalisation of the first case study is confirmed by the findings of the second case, then the hypotheses will be generalised to a larger population of similar situation.

**4. Measurement of reliability :** This is also important in demonstrating that the data collection procedures can be repeated by other researchers and yield the same results (Chapters 4 and 5).

Together with theory testing, these measurement tactics are presented in the different chapters in this thesis. They are listed in the following table (2.1):

**Table 2.1 Measurements of Theory and Hypotheses**

Objective of Study	Measurements	Case Study Design Tactics	Specific Chapters
	Construct validity	Operationalisation of variables to expectations	3
		Multiple sources of evidence	4,5
Theory testing	Internal validity	Pattern matching	6
	External validity	Replication logic	6
Hypotheses testing	Internal validity	Pattern matching	6
	External validity	Replication logic	6
	Reliability	Data collection procedure examination	4,5

### **Preschool Daycare Policies as Research Data**

Daycare policy for pre-school age children in social care is selected as the case example of field study for this multiple-case study between Britain and Hong Kong.

This study is confined to childcare policy in the form of social care away from home, which is for the purpose of providing young mothers an equal opportunity to work or engage in other social activities. Childcare policy addresses not only social care for children but also touches two other fundamental issues of interest in this study of state welfare. Firstly, this policy is related to the issue of why and how the state defines its scope of responsibilities in childcare. Secondly, it is also related to the issue of sexual equality. If a welfare state is concerned with equity of resource redistribution, social care for children will be regarded as the cornerstone for providing the

material base for women to obtain equal opportunity and outcome. These two issues are clearly ideological, reflecting the basic normative assumptions of a state about welfare.

Surprisingly, Britain has much less provision of child daycare services for its under-fives despite its enormous commitment in the form of universal education, health and social security. It was the Labour government in 1945 which ordered the close-down of the wartime day nurseries and compelled working mothers to stay at home to look after their children. Until the 1970s, there had been little difference between the two main political parties in their policies towards childcare - they both defined it primarily as a non-statutory responsibility. Despite the challenge of the women's movement and the passing of three important laws on equal rights between men and women in the workplace in the same decade (Brannen and Moss, 1988, p.2), childcare services for the under-fives in Britain have still been predominantly non-statutory.

In contrast, Hong Kong has not been too reluctant to provide childcare services for working mothers. In this city-state, day nurseries serve children between three to five years old, whereas day creches take babies below two. In 1973, the government set up a policy of planning 10 day nurseries each year each with 100 places. However, the main provider has been the voluntary sector. The private sector in Hong Kong also provides a significant portion of places which totals to about a third of those in the field. The number of working mothers is one of the parameters used to quantify the forecast of demand for family welfare services of which childcare forms a part (SWD, 1985, pp.50-51).

Another interesting contrast is the difference in the resulting welfare mix in the field of child daycare in both societies. The Hong Kong government has relied heavily on voluntary agencies in the provision of day nurseries. It only operates a day nursery for the purpose of training. Childminding is extremely scarce as seen from the government statistics. The latest mention on childminding was in 1984, only 19 childminders were recorded (SWD,1984). Whereas in Britain, it is the childminders who take up the major share of full day social care for the under-fives. In 1985, for every thousand children in England between the age of 0-4, 4.26 were placed with childminders, 0.97 in day nurseries operated by local authorities, and 0.87 in private day nurseries (DHSS, 1985; DHSS, 1987).

Apparently Hong Kong has been far behind in the general provision of state welfare even though it has enormous economic achievements in the past decades. For example, between 1949 and 1987, its GDP had a tremendous 21 times real growth rate (Sung, 1989, pp.100-101). By now, Hong Kong has been listed by the World Bank in its report in the category of the 'high-income economies' (World Bank, 1990, p.179), a category at the top echelon with the most advanced countries like the USA, the United Kingdom (Britain as a part of it), Germany and Japan. At the same time, Hong Kong's GNP per capita was not far behind the United Kingdom's and Australia's, two of the developed countries of the West. For example, the United Kingdom and Australia had a GNP per capita of US\$12,340 and 12,810 respectively in 1988, whereas in the same year Hong Kong's GNP per capita was US\$9,220 (World Bank, 1990, p.179). However, Hong Kong's social spending has lagged far

behind these countries. For instance, in the same year, Hong Kong spent only 8.09 per cent of its GDP on social services<sup>1</sup> (Hong Kong Government, 1990), a figure far less than the United Kingdom's 25.05 per cent and Australia's 19.57 per cent (International Monetary Fund, 1990, pp.114-115). Clearly the Hong Kong government adopts a residual approach towards welfare. However, Britain as a traditional institutional welfare state has also shown a reluctance to define social care for children as a statutory responsibility. This results in relying heavily on the informal care in this field 'by mothers, or by unpaid or low paid women' (Frost and Stein, 1989, p.127), as similar to Hong Kong. Childcare provision has become an area that seems to be least supported by the British welfare state. These two societies are being used as illustrations of how and why a traditional institutional welfare state and a residual welfare state address their welfare issues. The British case is particularly interesting because of the ideological shift in the late 1970s when Thatcherite conservatism became influential. Whereas in the Hong Kong case, despite enormous economic growth in the past decades, provisions of state welfare have been generally kept to a minimal level. From the study of child daycare policies of these two societies, it is expected that the research problem can be clarified and the hypotheses tested.

## Conclusion

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1. Including spending on community amenities as to compare with similar calculation of the figures listed in the International Monetary Fund's *Government Finance Statistics Yearbook*, 1990.

The research problem of this thesis is why different societies have different welfare mixes. The hypotheses formulated suggest that the welfare ideology of a state is the likely factor which determines such an outcome. If these hypotheses are validated, they will prove that the choice of welfare mix is not based on what the welfare pluralists have argued as the 'distinctive organisational features' of welfare sectors.

Ideology, which refers to welfare ideology in this study, is composed of social values, the role of the state and its policy of distribution. They will then together with welfare mix and welfare production, form an analytical framework and are used to construct theoretical models of the welfare state. These theoretical models are used to compare the practical policies of child daycare selected for study in the multiple-embedded case design for the comparison between Britain and Hong Kong.

The main objectives of this study are, first, to see whether normative ideological theories can serve as a predictive tool in state welfare and; second, to test the extent to which welfare mix and welfare production are affected by the welfare ideology of a state.

## Chapter 3

# THEORETICAL MODELS OF THE WELFARE STATE

## Introduction

The aim of this chapter is to construct theoretical models of the welfare state as empirical indicators to compare with the practical policies under study. The first part of this chapter is to have a brief review of the literature on normative theories of the welfare state. This is followed by a selection of the criteria for their classification. Based on these criteria a group of normative theories is selected for the purpose of this study.

In the second part of this chapter various selected normative theories are constructed into theoretical models of the welfare state according to the set of variables identified in Chapter 2 : social values, the role of the state, the policy of distribution, welfare mix and welfare production. These theoretical models are to be used as ideal sets for comparing with practical policies in the succeeding chapters.

## Part 1 Classifying Normative Theories of the Welfare State

In classifying normative theories of the welfare state and in identifying the criteria of classification, a brief review of the literature is essential. Taylor-Gooby and Dale (1981) classify theorists of the welfare state into three groups : the individualists, the reformists and the structuralists, on the basis of their explanation of the causes of social problem. According to their analysis, the individualists personalise social problems and their solutions. The reformists see solutions possible within the framework of welfare capitalism whilst the Marxists in the structuralist strand understand social problems as the result of the capitalist structure and such problems are generally impossible to resolve within that structure. They use a continuum between individualism and structuralism as the classifying criterion to differentiate between theories. However, such a classification by itself has a problem in identifying the differences between the conservatives and the neo-liberals. They are both individualists in their perspective on problem causation and solution. Conservatism may patronise a strong political state and particular welfare provisions, whilst neo-liberalism stands more certain in its position for a minimalist state. The problem becomes complicated when some conservatives shift to combine conservatism with liberalism and endorse the market system in their conservative theoretical model.

The same problem arises when George and Wilding(1985) classify theorists into four groups as anti-collectivists, reluctant

collectivists, Fabian socialists and Marxists on a continuum between anti-collectivism and collectivism. Their framework has been criticised by P. George (1985, pp.40-41) as being one-dimensional. He argues that George and Wilding's classification fails to distinguish conservatism from liberalism, and communism from collectivism. The yardstick he uses is the egalitarian notion of community. For conservatives find their ideological root of community in the nineteenth century patrician hierarchical order whilst communists are nostalgic of the peasant communes in which individuals are equal. So, conservatives and communists should not be classified in the same groups with liberals and collectivists respectively.

Based on his criticism of George and Wilding, P. George (1985) has constructed a two-dimensional classification of welfare state theories on two axes : the continuum between anti-state and pro-state, and the other continuum between equality and inequality. However, his two-dimensional classification framework is not immune from criticism. In closer scrutiny, P. George (1985) also fails to identify the ambivalence of the conservatives on statism and anti-statism in the inequality and pro-state axis. He is right to assert that conservatism favours a strong state, but it is the political state that the conservatives endorse and at the same time they are reluctant to accept an institutional welfare state. An institutional welfare state would certainly threaten their authority in the hierarchical structure which bestows unequal rights to different strata of people. The underlying tension between an institutional welfare state and the conservative authoritarianism is between equal right and un-

equal paternalism. The conservative's ambivalence between statism and anti-statism may explain the diverse range of policy choice in the conservative strand that it is possible to argue that the Thatcher government should stand at the extreme right end and the Macmillan government be at the other end. However, even for an extreme right wing Conservative government, a minimalist government does not mean a non-interventionist strategy of laissez-faire; on the contrary, the state should be extremely interventionist in restructuring the mix of welfare sectors and in state legislation. The state would also be keen on perpetuating a reproduction of conservative ideology by, for example, a centralised control of the education system (Gamble, 1983). In other words, there can be two spheres of state intervention. As suggested by Dunleavy and O'Leary (1987, p.7), the first concerns the role of the state in providing a legal framework for society, ensuring law and order, protecting national security, and upholding traditional moral values; whilst the second sphere concerns the management of the economy and the redistribution of income and wealth. Ideologies on the right are often in favour of more intervention in the first sphere and less in the second; whilst ideologies on the left usually adopt a reverse position.

If we turn to classify existing welfare states, the same problem will also arise. For example, if we adopt the residual and institutional models developed by Wilensky and Lebeaux (1965), it seems that Britain will conform fairly closely to the institutional model of welfare. The rationale is based on the more or less freely provided health and educational services since the 1940s. However, personal social services and housing as

important welfare services are clearly residual in Britain, aiming at minimum provision and distribution by means-tests.

The same problem also applies to Hong Kong. It was once been praised by Milton Friedman (1981, pp.54-55), a neo-liberal theorist, as the last stronghold of laissez-faire system. However, in the late 1970s the self-conscious 'non-interventionist' government introduced the universal nine-year free compulsory education system. Besides nearly 45% of the Hong Kong population are living in various types of state managed public housing. It seems that the state has intervened in some areas even in a predominantly residual welfare state like Hong Kong.

So, one has to be critically aware that theoretical models tend to over-simplify the reality. However, they are as a good starting point for us to systematically understand and explain the seemingly unrelated and piecemeal reality. As suggested by Titmuss (1974, p.136), theories or models can serve to provide us with a framework which may stimulate us to ask the significant questions and expose the significant choices.

Despite a number of pitfalls in P. George's (1985) analysis, equality and state intervention are still the best criteria to classify normative theories of the welfare state. Equality and inequality offer a *continuum whilst state and anti-state can be another continuum* that comprises a two-dimensional framework of classification. Based on this framework, four axes could be identified : equality and state, equality and anti-state, inequality and state and inequality and anti-state. State and anti-state is used as continuum rather than collectivism and anti-collectivism because of the difference between collectivism

and statism. Statism could be referred to as collectivism at a national level, whilst collectivism in its microscopic dimension is a form of localised or functional collective ideology. Collectivism, in its strict sense, stresses the personalised relationship among members of the same collective which the macroscopic collectivism - statism does not offer. Statism only conveys a broad symbolic but impersonal common meaning to members of the state. Also the use of state and anti-state continuum allows flexibility, for example, the rejection of state action does not necessarily imply a simultaneous rejection of microscopic collective action. For each axis, one or two groups of theorists or writers are selected for the comparative study between Hong Kong and Britain.

As this thesis is concerned with the study of ideologies of governments-in-power, so the selection of an ideology for study will depend on whether it has been influential at the level of state welfare policy in the period under study. In this light, feminism as an ideology, which had not been in the 'mainstream' social policy tradition before the eighties (see for examples, Williams, 1989, pp.xi-xiv; Pascall, 1986, pp.1-19), is not granted a full analytical status in this thesis.

### **Anti-state and Inequality Axis**

Neo-liberalism rather than market liberalism has been chosen to describe writers like Hayek, Friedman, and writers representing such right-wing organisations as the Institute of Economic Affairs. All neo-liberals are pro-market, so the description of

market is not necessary.<sup>1</sup> Neo-liberals are a group of writers who are over-shadowed by the Keynesian-Beveridge interventionist strategy, in the sense that they have been working against the statist platform created since the post-war period. Their reaction is to rebound to the pure version of laissez-faire policy in combination with a minimum standard of state welfare as the last resort. In this sense, they depart from the classical liberals who see no agenda for redistribution by the state. Neo-liberals believe in the operation of the market system over state intervention in solving most social problems.

Neo-liberals are not classified as 'new right' in order to single out their non-conservative strand. In the classification of the new right, the tension between free market liberalism and moral authoritarianism is prevalent. The new right is a broad church embracing both conservatism and neo-liberalism (King, 1987, p.8). Thatcherism is an artificial blend of liberalism and conservatism that is more appropriate to the new-right label. Some (for example, Bosanquet, 1983) have classified neo-liberals as the new right, but such a classification has the danger of neglecting the neo-liberal's rejection of conservative authoritarianism.

It is obvious that the ideology of neo-liberalism is also influential in a laissez-faire economy like Hong Kong. For in-

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1. Not all share this view, for example in the discussion of the development of social policy, Room (1979, pp.48-56) refers 'liberals' to two groups of writers: 'market liberals' such as Milton Friedman and the Institute of Economic Affairs who extol the virtues of a laissez-faire market society, and 'political liberals' such as Kerr and Galbraith who pay more attention to the relationship between the economy and the political system.

stance, both government officials and leaders of non-statutory organisations in the welfare field 'basically agree that the government should not interfere too much or blindly pursue the goal of egalitarianism, or make the public dependent on welfare' (Welfare Digest, 1985). And neo-liberal economists like Sung (1983, pp.70-78) argues that the Hong Kong government should not provide more than minimum social security benefits to the unemployed otherwise the free play of the market would be adversely affected.

### **Inequality and State Axis**

Traditional conservatives have been chosen for they are especially relevant to the British scene. Conservative values, such as tradition and authority, are also popular amongst the Chinese population of Hong Kong; for instance, one research study found out a strong emphasis on social order and social harmony in the ethos of the Hong Kong Chinese (Lau and Kuan, 1988, p.68). Traditional conservatives accept a greater role of state welfare in ameliorating poverty as an extension of their paternalism. In the British context, they are 'traditional' in contrast with the artificial blend of liberalism with conservatism in the ideology of the contemporary brand of conservatism - Thatcherism. However, traditional conservatives accept the market system reluctantly because it is the source of liberal beliefs. These beliefs would endanger the conservative values which are based on an hierarchical patrician order. The conservatives on the new right are more ready than the traditional conservatives to accept the spontane-

ous market force. The study of traditional conservatives offers an ideal type to compare with the conservatives of the new right.

Reluctant statisticians are what George and Wilding (1985) called 'reluctant collectivists'. The classification is modified to 'statist' because this group of writers is more likely to welcome statist institutions, than broad 'collectivist' institutions such as communes and co-operatives. They are writers like Beveridge, Keynes, and the new liberals at the turn of the nineteenth century (Clarke, *et al.*, 1987, pp.35-36) and contemporary Social Democrats like David Owen. The use of the reluctant statist label avoids confusing them with neo-liberals and the stress of their reluctance in statist strategy. They are grouped with traditional conservatives under the same axis because their similar belief in inequality as a social value and because their endorsement of state action is only pragmatic. For example, state action is *not* for the purpose of equality in the redistribution of resources and power, but it is for the relief of poverty. Their statism is reluctantly arrived because of the failure of the capitalist market system in ameliorating social miseries. The reluctant statisticians are reformists of the right; in this regard, their relevance is not confined to the British context. Similar beliefs in state action for reformist purposes can be found in Hong Kong, for instance, an economist (Tsang, 1988, p.8) argues that Hong Kong government should use its public spending, taxation and subsidy policies to reduce income inequalities and stimulate investment and social consumption in time of world recession.

### **Equality and State Axis**

Fabian socialists are all egalitarians to some extent (George and Wilding, 1985, p.70). They believe state action is necessary to provide individuals sufficient resources to achieve a meaningful way of life. They have been influential in the development of the British welfare state especially in influencing the Labour Party. Their belief in state action as representing the endorsement of social right as well as symbolising collective fraternity to individuals has been unequivocal. Even for the Fabian's emerging market socialist strand, the state still plays an indispensable role (see for examples, Le Grand, 1989; Le Grand and Estrin, 1989; Plant, 1989). For instance, the state has a central role in designing a national curriculum for rectifying the problems of parental ignorance in a voucher system in education (Le Grand, 1989, p.201) and in determining the redistribution of social resources for a starting-gate equality (Plant, 1989, p.76). The state, in Fabian socialist's traditional thinking, is important for an egalitarian society for it has the legitimacy to redistribute resources and power. Fabian socialists believe that a transition between capitalism and socialism, in which welfare state is a strategy of gradualist social engineering in reforming their disfavoured capitalism. Broadly speaking, Fabianism is an ideology of the reformist left, so, similar beliefs in another label can be found in Hong Kong (see for examples, Chiu, 1991; Yeung, 1985) and other western welfare states.

## **Equality and Anti-state Axis**

Communists have been allocated to this axis because they believe in anti-statism and egalitarianism. Communists, whether Marxists or non-Marxists alike, believe in the exclusion of the political state over their idealised community under communism. Communism indicates a specific form of institutional structure, the commune, in which all individuals are equal and participatory in the self-management and the production in their commune. Not all advocates of a communal form of living are Marxists, so we prefer to discuss communists on this axis, even though we shall focus our discussion by reference mainly to the Marxist arguments and writings.

Communism has not been influential in either Britain or Hong Kong. However, as an influential ideology in the world and particularly in China and since Hong Kong is going to be returned to China after 1997, communism is included in this study.

### **Limitation of the Classification**

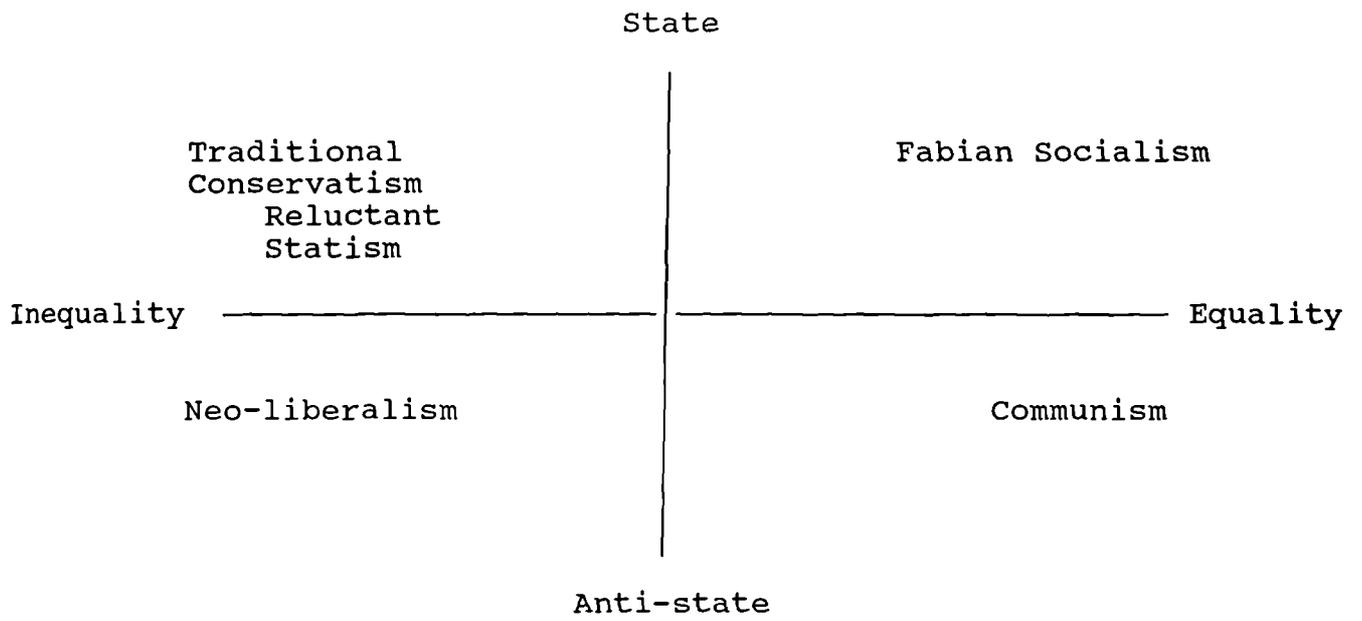
The reason of choosing the above welfare ideologies in constructing our theoretical model of the welfare state has been explained; however, there is always a question of why other ideologies are not included. For example, like feminists, another group of writers who are relevant in the debate on the welfare state 'crisis' - the welfare pluralists are excluded. However, it is difficult to identify their position in any of our axes. They are neither anti-state nor statist. They advocate a reduction of the role of the state in provision; at the same time, they are also in favour of a strong state in financing and regulating a

welfare mix which is favourable to the voluntary sector. This means that, they do not fit our dichotomy between statism and anti-statism. Besides, they are not truly egalitarians even though they believe in equality. Equality, as suggested by welfare pluralists, is usually referred to as the equality of provision between the state and the voluntary sector.

Based on these reasons, it is hard to locate the position of welfare pluralism in this two-dimensional framework: one possible reason is that welfare pluralism is not a fully developed theory. Nevertheless, it also reminds us that we have to be critical of any classification. For any model is based on generalisation by exclusion. A theoretical model assists us to focus our attention on a specific area of concern so that we can concentrate our attention and resources in an effective way, however we may be less sensitive to alternative approach (Mok, 1987, p.58).

Due to limited time, space and the impossibility of detailing all ideologies and theories, we have to contain ourselves to the five chosen ideologies in this study to construct our theoretical models of the welfare state. In the following figure, the chosen normative theories of the welfare state are placed in a two-dimensional framework.

**Figure 3.1 Two Dimensions of Normative Theories of the Welfare State**



## Part 2 Constructing Theoretical Models of the Welfare State

In the following sections, the five selected normative welfare theories : traditional conservatism, neo-liberalism, reluctant statism, Fabian socialism, and communism, have been constructed according to the five variables of the analytical framework and turned into theoretical models of the welfare state for data analysis in the subsequent chapters.

### TRADITIONAL CONSERVATISM

#### Social Values

In general, freedom and equality are the essential social values in defining the role of the state in welfare. For traditional conservatives, freedom and equality are not their core social values, these have to be qualified by their belief in tradition and authority. For example, one of the British conservative theorists, Scruton (1980,p.19) argues that abstract concepts like 'freedom' fail to make contact of reality of our time on issues of education, political unity... etc. because in 'all such issues the conflict concerns not freedom but authority, authority rested in a given office, institution or arrangement'. This argument infers that it is only through an ideal of authority that people can experience the external world.

For traditional conservatives, the external world can only be related through concrete institutions; therefore, freedom is

subordinated to institutions. It is argued that without institutions, freedom would be blind, no more than a gesture of moral vacuum (Scruton, 1980, p.19). In other words, traditional conservatives dislike abstraction. On the contrary, tradition provides them with a sense of security, concreteness and continuity from the past to the present. The belief in tradition originates from the conservative desire to conserve because conservatives have 'faith in arrangements that are known and tried, and [wished] to imbue them with all the authority necessary to constitute an accepted and objective public realm' (Scruton, 1980, p.33). In brief, it would not be unfair to comment that conservatives regard tradition 'dogmatically as legitimate simply because it was there' (Dunleavy and O'Leary, 1987, p.73).

Henceforth, such a belief in authority like that of the state is not based on an abstract notion, but has to be won. As suggested by Gilmour (1978, p.151), 'no partnership can be real, if no benefits flow from it'. Thus, it is natural for the state to extend its help in order to sustain the loyalty link between individual and state. Welfare provides such a link.

However, state welfare should not hamper conservative beliefs in tradition and authority. Welfare is an act of voluntary benevolence from the rich to the poor. Welfare provision should not mean people have a right to it. In other words, people are not equal. Inequality is regarded by conservatives as a natural reflection of an individual's different natural endowments and it is compatible with the existing hierarchical social order. Therefore, the acceptance of inequality is essential for the conservative ideal.

## The Role of the State

The conservative ideal state is shaped by circumstances except its persistent favour of a strong political and moral state. A strong political and moral state has to be benevolent to its people because the state should have moral commitment to its subjects when they ask for help.

Conservatives dislike ideological expression and prefer eclecticism. They are pragmatic and selective according to circumstances. According to Gilmour (1978, p.130), traditional politics is to avoid extremism because 'moderation in one party is likely to engender moderation in the other, and extremism is likely to breed extremism'. Therefore, conservatives choose their welfare strategy according to circumstances rather than on 'extremist' ideological terms. In this light, the conservative state can vary according to different circumstances. Based on the above discussion, it can be argued that conservatives may flexibly interpret the role of the state because of their dislike of extremism and their belief in pragmatism.

As conservatives believe in an unequal hierarchical structure, this inegalitarian belief will limit the extent of their conservative welfare state. It seems that as far as state welfare would not threaten the basic values of authority, tradition and their various institutional establishments, it is compatible with conservatism. For social services which are associated with the preservation of tradition and authority, i.e. education, family services and delinquent prevention, etc. the role of the state

should be interventionist. Whilst in the absence of strong political and social pressures, welfare in general is minimal. On the dimension of finance, the state should also be selective. Whilst in the dimension of regulation, the state is interventionist in issues related to law and order. It is also interventionist in the preservation of tradition and authority but is minimalist in other welfare issues.

### **The Policy of Distribution**

Welfare is not a matter of rights for conservatives. They regard that a transfer of welfare should be qualified under specific conditions. For instance, it is only those who are not able to support themselves are eligible for public allocation. Welfare is a conditional 'gift', or in another sense, it is a charity from the rich to the poor which expresses the patrician benevolence of the rich to the deserving poor in return for the latter's submission to the establishment.

Although conservatives are clear in their position in favour of the selectivist approach, however, they are likely to go beyond selectivist provision. It is because they believe in paternalism or they think that it is politically advantageous. Nevertheless, this act of welfare benevolence should still be regarded by them as a charity rather than a right. A clearly spelled absolute universal provision is not at home with conservatives because such a measure endorses the concept of social right. However, conservatives can endorse universal welfare especially in areas that are working for a strong and moral

state. Therefore, conservatives are pragmatic in the choice between selectivist and universal approaches though they are more likely to rely on the selectivist approach so that the deserving poor can be differentiated from the undeserving.

### **Welfare Mix**

If conservatives regard welfare more as a charity than a right, they will not embrace the underlying ideological assumption of the state sector. However, in the preservation of tradition and authority, the state is regarded as the necessary and essential institution to enforce conservative values throughout society, as the state sector can provide the institutional context which expresses the conservative patrician benevolence. In this light the state sector presents a dilemma for conservatives.

The ideological assumptions of the other three sectors are compatible with conservatism. Conservatives should welcome the voluntary sector for it bestows the transfer of charity than right and it also extends the privileges of givers. Conservatives also endorse the market because of their same faith in private property and the inequality of outcome of the market mechanism. However, conservatives are not at ease with the ruthless and rebellious individualism that the market assumes. Individualism is an embarrassing subject for conservatives (Letwin, 1978, p.52); and at the heart of such embarrassment is the hostility of individualism towards authority and traditional order.

Conservatives' 'natural' institution remains the family. For example, Gilmour (1978,p.149) says that a 'man is a member of a family before he is member of anything else'. Besides, family as

an institution which enforces private coercion should be a good training ground for individuals to prepare for the outside similar hierarchical structures. Hence, conservatives are not ambivalent in the choice of family and the informal sector. It is because the informal sector embodies the paternal/maternal and self help principles that do not challenge the unequal distribution of power and resources in the conservative hierarchical order.

In conclusion, it can be generalised that in the choice of welfare sectors, conservatives will give higher priority to the informal and the voluntary sectors. The choice of the state sector has to be qualified to certain spheres of social services which can enhance a strong and moral state. Conservatives are ambivalent about the choice of the market since the ceaseless and rebellious individualism that a market embraces is threatening to the conservative ideals of authority and tradition.

### **Welfare Production**

In theory only in the transaction of statutory services can users exercise their social right and are on an equal footing with providers. Conservatives are unlikely to endorse welfare transactions which reproduce social right principle and egalitarian ideology for users. For conservatives, statutory services should be conditional on a selective basis that would restrict and distort the reproduction of ideology of the state sector.

From an inegalitarian perspective, conservatives will prefer the three non-statutory sectors which can reproduce the desired ideology of their choice. This is to suggest that inegalitarian

relations are preferred by conservatives in the production of welfare. Thus, in welfare production and in welfare organisation the conservative choice is likely to be a structure of authoritarian relations amongst owners, users and staff. It can be generalised that centralisation in administrative structure is a necessary condition for the establishment of such an unequal social structure in which decisions are made at the top of the hierarchy. However, conservatives are also likely to tolerate administrative decentralisation insofar it does not affect authority relations in welfare organisations. Henceforth, the participation of users in service delivery may be welcome.

## **NEO-LIBERALISM**

### **Social Values**

Traditional liberals see individuals as rational beings, able to accommodate their own welfare needs, self-reliant and self-contained, so it is only in cases of natural disaster, welfare relief is justified (Goodin, 1985, p.28). Neo-liberals depart from this idealised version of the individual and shift the centre of their assumption away from the rational individual to the spontaneous market force as essential for welfare and human liberty. Neo-liberals recognise that some individuals cannot satisfy their social needs through the market on some occasions; thus this opens the way for the need to compensate for the diswelfare outside the market system (Hayek, 1944, p.89).

In neo-liberal thought individuals still need the state but

it assumes the market could satisfy most of their needs leaving the state a minimal role to play. Even though neo-liberals do not have a clear separation of state and civil society they are suspicious of state welfare because they still believe the absence of the state is the necessary condition for the realisation of individual freedom. Freedom, for the neo-liberals is negative from external coercion. They place freedom as an eternal value and all other social values are subordinated to it. For example, Friedman suggests that 'as liberals, we take freedom of the individual, or perhaps the family, as our ultimate goal in judging social arrangements' (Friedman, 1982, p.12). On the contrary, the welfare state is regarded as a form of external coercion on individual freedom because individuals cannot exercise choices and are deprived of their voluntary exchanges. State action, as argued by Hayek in *The Road to Serfdom* (1944), unavoidably leads to totalitarianism.

Not only is state welfare subordinated to the neo-liberal's value of negative freedom, equality is treated in the same manner. If there is any intervention on the market for the sake of distributive justice, neo-liberals will regard it as an infringement on individual's freedom. In this light, they believe in the 'trickle-down thesis' of distribution through economic growth. A Chinese neo-liberal in Hong Kong, Lin (1984, p.165) even labels state welfare as a kind of 'free lunch'. This implies that welfare would induce further demands on state action and undermine individual's hardworking spirit. In this way inequality is also a necessary condition and, at the same time, a by-product for the realisation of negative freedom.

## The Role of the State

For neo-liberals the state should have to be separated from civil society so that an individual can be free from the encroachment of the state. Theoretically speaking the executive branch of the state, the government, should not have any role to play; however, neo-liberals suggest that the government at least has two areas to take care of. Firstly, neo-liberals are confident in the spontaneous order of the market, thus the government should ensure the necessary conditions for this to operate. The role of the government 'is essential both as a forum for determining the "rules of the game" and as an umpire to interpret and enforce the rules decided on' (Friedman, 1982, p.15). Secondly, neo-liberals do not assume that the market system could solve all the distributive issues of resource and social problems. Thus, there is a case for the redistribution of resources to alleviate absolute poverty and for the remedy of the adverse external effects of the market. In this light, it is inferred that the role of a neo-liberal state should be minimal except in terms of frame building for the establishment of the 'rules of the game' for the market.

Based on the above analysis, the role of the state in regulation has to be minimal except in the setting of the rules of law. But on certain occasions some actions of the state are required to regulate private monopolies and to deal with external effects (Friedman, 1982, pp.27-28). The financing role of the state should also be minimal as it is assumed by the 'public burden' theory (Walker, 1984, p.29). It is believed that state

spending would 'crowd-out' private sector initiatives. In this light, state provision should be the last resort. It is also believed that state provision will expand government bureaucracy and increase power in bureau-professionals (Lin, 1984, p.165). This will also deprive consumers of their choice, that implies a diminution of freedom (Goodin, 1982).

### **The Policy of Distribution**

Neo-liberals do not believe in the principle of a social right. Such a position is related to their definition of need. As pointed out by Plant (1984, 1985), neo-liberals understand need as an irredeemable concept and has to be arbitrarily defined. In other words, arbitration necessitates bureaucratic action. And bureaucratic action is an act of intention which requires judgment. As neo-liberals assume intentionality as a necessary condition in coercion, thus the definition of need provides such an opportunity for bureaucratic action. Therefore, the recognition of a social right will ultimately infringe upon individual freedom and invite bureaucratic coercion. Contrary, the spontaneous market force is unintentional and thus, is not coercive and morally superior. In other words, it can maximize individual freedom. It is clear that neo-liberals would not accept the principle of social right.

As welfare is not regarded as a right by neo-liberals, it is only those who are unable to support themselves that are eligible for public distribution. Neo-liberals believe, for the sake of freedom, that individuals should satisfy their social needs

through the market. The market is believed by neo-liberals that it could facilitate mutual advantages and free individuals from the external coercion of the state.

Neo-liberals have been in favour of the selectivist approach as the policy of distribution. Nevertheless, they may be convinced in some occasions that certain welfare provisions could go beyond selective provision. Universal education is such a case since it can provide every individual an equal opportunity to enter the market. This forms a solid base for a fair rule to establish itself in the market system. Neo-liberals have regarded 'the rules of the game' as essential for the market to operate. It seems that universal education is a prerequisite for such an establishment. However, neo-liberals have not at ease with universal measures because they have always been alert of the danger of over-provision and over-concentration of power in the hands of bureau-professionals (Lin, 1984). In this regard, neo-liberals are likely in favour of a minimum standard for the selected poor whereas a certain number of universal measures are only to be provided for the establishment of 'the rules of the game'. Beyond these measures, individuals have to top up by their own efforts. Thus, the policy of distribution of a state should be selective except in areas favourable to the establishment of 'the rules of the game'.

### **Welfare Mix**

Neo-liberals are more straightforward in their choice of the welfare mix. Market, for neo-liberals, is the superb means for extending individual freedom.

Bosanquet (1983, p.2) distinguishes a slight difference in the extent of market operation between the two chief proponents of neo-liberalism, Hayek and Friedman. He sees Friedman as more anti-statist, as the state represents the evil force whereas the force of light is represented by the profit-making private firms. For Friedman, there should be no room for the state except the rules of law and the alleviation of absolute poverty. Bosanquet (1983) argues that Hayek had been more consistent in allowing the state to be part of the market system if it would have truly offered itself in the competition with the private sector alternatives. State welfare, in Hayek's mix, could co-exist with the private market; whilst in Friedman's ideal mix, the main choice remains a stark one between state and market (Bosanquet, 1983).

Deducing from Hayek's perspective, he would not reject the voluntary sector as a third force which enables a wider consumer choice. However, Friedman also appreciates the contribution of the voluntary agencies as yet he realises 'the extension of governmental welfare activities has been the corresponding decline in private charitable activities' (Friedman, 1982, p.191). Friedman recognises that in large impersonal communities which are predominant in modern societies, private charity is unable in the alleviation of poverty and a minimum action of the state is required.

To conclude neo-liberals' favoured choice is the market. Whereas the state sector is regarded as a necessary evil which has to be cautiously scrutinised. The other welfare sectors are supplementary because their provisions would diminish statutory provision and thus, individual choice could be enlarged.

## Welfare Production

Neo-liberals assume that dismantling the state will lead to the blossoming of other welfare sectors (Seldon, 1985) and the triumph of individual freedom. It can be inferred that it is the reproduction of the ideology of a sector that neo-liberals focus on. Obviously, neo-liberals are in favour of the market principle, and at the same time, they reject the social right principle underlying the state sector. So, equality between users and providers of welfare plays no part in the neo-liberal value system because equality may lead to an entitlement to welfare. It is clear that, in order to entertain such right to welfare, the state needs to redistribute social resources. As argued by neo-liberals, bureaucratic action and coercion will be brought in and consequently individual freedom will be limited. In contrast, the primary concern in the welfare production of the private sector is profit-making. In this case, no coercion is necessary even though a commodified relationship is reproduced. Whereas in the welfare production of the voluntary agencies the charity principle is also reproduced since users could not claim any welfare rights under charity.

Neo-liberals are opponents of bureaucracy because they believe it would engender arbitration and limit individual choice. In this light, they are likely to be proponents of decentralisation. However, their meaning of decentralisation may mean decentralising statutory services to non-statutory sectors as a means of dismantling the welfare state. It is also inferred that

user's participation in the authority structure of welfare organisations is not a priority for neo-liberals because they emphasize a user as a consumer of the market, not as an individual with social rights. It seems that neo-liberals do not pay sufficient attention about staff participation. It is because staff participation has not been relevant to the essential operation of the spontaneous market as a system. In this light, an authoritarian relationship in welfare organisations is also not necessarily relevant to market operations. Thus, in the non-statutory sectors, as owners have the ultimate control over their organisations, it can be assumed that neo-liberals may not object to this.

To conclude, the neglect by neo-liberals of social relationships within welfare organisations stems from their belief that a spontaneous market order in itself can produce collective good and freedom for individuals. Therefore inequalities within organisations are not an issue that gives them their great concern.

## **RELUCTANT STATISM**

### **Social Values**

Reluctant statisticians depart from a clear separation of civil society and state. They see the necessity of a closely monitored link between state and individuals. They regard personal and family problems as, at least, partially caused by social factors, thus individuals are not to blame for all their problems. In this respect, state action is regarded as a compensation to the loss of one's destiny. In the value-set of reluctant statism, statism

is perceived positively, as it can enhance the positive freedom of individuals. Reluctant statisticians argue that an unregulated market system would be socially divisive and a source of conflict. Thus, a spontaneous market force is not a source of freedom. On the contrary, state action and regulation should be brought in as a mechanism to allow individuals the resources to free themselves from poverty and human miseries. In Beveridge's words, liberty 'means freedom from economic servitude to Want and Squalor and other social evils' (Beveridge, 1945, p.9).

Reluctant statisticians have been cautious of the egoistic tendency of the market. For them, the market represents both the evil and the light forces. The balance between these two forces is a dedicated choice. As pointed out by George and Wilding (1985, p.45), reluctant statisticians (in their terms, reluctant collectivists) hold a pragmatic view of ideology, their basic belief is humanitarianism. Based on this ground, they have rejected the relentless market and welcomed state welfare and argued for the material base for freedom. However, at the same time, they have also accepted inequality as a necessary consequence of the 'fundamentally sound' free market system. Similar beliefs of the pragmatic approach of ideology is also found in Hong Kong. In advocating for the establishment of a joint contributory social insurance scheme in Hong Kong, Chow (1984, p.214; 1987, pp.141-142) explains clearly such scheme of shared contribution between employees, employers and government is not 'revolutionary' and aims only at dealing with the social miseries generated by the existing social and economic systems.

Indeed, reluctant statisticians like Beveridge and Keynes are

taking a middle way between the utopian paradigms of the free market and the command economy of the highly centralised state (Pinker, 1979, p.240). Reluctant statism is indeed a liberal version of the conservative 'middle way' in obtaining a balance between state and individual responsibilities of welfare. With this label pure socialism or pure capitalism should not be the best option for a reluctant statist like David Owen (1981, p.112). The reluctant statist choice should be a mixed economy which is assumed as the best of the above two dichotomous systems.

To conclude, reluctant statisticians recognise the positive contribution of state action for it is regarded as a pragmatic strategy to compensate for the failure of the market system. Thus, they recognise the material base of freedom and, at the same time, they also stand for the 'fundamentally sound' market. In this light, reluctant statisticians are not truly egalitarians as inequality is a necessary condition and consequence of the market system.

### **The Role of the State**

The role of the state in reluctant statism is basically a minimal state, but it is different from the neo-liberal definition of a minimal provision. Reluctant statisticians welcome a level of provision slightly more than a minimum whilst neo-liberals accept only a minimum provision for those needy groups and certain universal services for the establishment of 'the rules of the game'.

As the main proponents of reluctant statism, Beveridge and Keynes have been seen as reinventing liberalism from the 'old liberal laissez-faire position of general hostility to state intervention in a market economy' (Culter, et al., 1986, p.8). In this regard, their role in the development of the welfare state is to redefine and justify state action in a new social and economic context. State action has been modified to as desirable and necessary because the basic conditions of social life could not be maintained without some form of state intervention.

The positive impact of state action in striking a balance between the free-play of markets and their miserable social implications presumes the rejection of the 'public burden' theory (Walker, 1984, p.29) of state welfare. In other words, the state is not to be blamed for its supply of welfare either in terms of finance out of taxation or the direct provision of services. State welfare is regarded, in the Keynesian economic model, as a part of an economic policy in inducing the level of propensity to consume and create employment (Cutler, et al 1986, p.7). However, state action has to be checked, because of the reluctant statist's belief in the market system. Thus, it is the means to supplement and complement market deficiency and not to replace it. This is to suggest that, state action will be justified if the market fails to provide the necessary fulfillment for human needs. In other words, the laissez-faire model will be discarded if it is out of date (Keynes, quoted in George and Wilding, 1985, p.57). In this way, the range of a minimal state in reluctant statism will be greater than a minimum standard if the situation requires.

Henceforth, it is inferred from the above discussion that in reluctant statism, the roles of the state in regulation, finance and provision are to ensure a proper balance between state action and the market. If the market fails, the state will have to intervene; but the extent to which a line is drawn between intervention and non-intervention has not been easy to delineate.

Based on the above arguments it is assumed that the role of the state in reluctant statism is slightly more than minimal. Reluctant statisticians see the roles of the state in regulation, finance and provision as supplementary and complementary to the market but not to replace it outright. The role of the state in regulation is to ensure a proper balance between state action and the market, whilst its role in finance is regarded as part of the economic and fiscal policies. Finally, its role in provision is to maintain a minimum and it would be willing to go beyond it if situation arises.

### **The Policy of Distribution**

Reluctant statisticians are ambivalent about means-testing as a criterion of service allocation because they see the right to benefits as conditional. As Beveridge (1942, p.11) admits, individuals have their 'benefit in return for contributions, rather than free allowances from the State', and the obligation of the state is to provide full employment to people so that they could continuously contribute their shares. If the right to benefit is conditional, it will implicitly imply that means-testing is inevitable. Taylor-Gooby (1985, pp.64-5) regards this as one form of defining the 'deserving poor' from the 'undeserving poor'.

Under this interpretation, the 'deserving poor' have been insured against the risks of social life in a contributory system and a stigmatised group of unemployed and idled 'undeserving poor' have to depend on a complex structure of means tested benefits.

Nevertheless, reluctant statisticians have not excluded non-means-tested welfare. For instance, Beveridge (1944, p.163) regards a national comprehensive education system without a means-test as a communal investment. But, at the same time, Beveridge (1942, p.7) suggests that the most essential thing the state should do is to establish 'a national minimum, {and it} should [also] leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family'.

To conclude, reluctant statisticians see access to welfare as conditional and welfare is not regarded by them as a social right. In this light, they endorse universal service at a minimum level and leave room for individuals to top up their benefits by their own efforts. However, for those 'undeserving poor' who are unable to insure themselves, means-test has become inevitable.

### Welfare Mix

Reluctant statisticians have stressed the importance of the state sector, but they are quick to point out the shortcomings of the statutory services. It is because reluctant statisticians believe the importance of the market in preserving the freedom of individuals. Markets, as an anti-thesis of the state sector, have been presumed by reluctant statisticians as allowing more choices. And the

state sector has been, on the contrary, hypothesized as tending to be bureaucratic and monolithic. The state sector has to be confined, as recommended by Beveridge (1944, p.36) to 'only those things which the state alone can do or which it can do better than any local authority [in Britain] or than private citizens either singly or in association, and to leave to these other agencies that which, if they will, they can do well or better than the state'.

Plurality of sectors has always been a catchword for reluctant statist, for this allows room for individuals to be in partnership with the state. They have assumed that reliance on the state would deprive one's other choice. In other words, the inclusion of voluntary insurance in Beveridge's national insurance plan was not a subsequent modification of the plan, but a logical part of his advocated concept of 'partnership' between state and individual (Alcock, 1987, p.55). However, reluctant statist do not retreat to the neo-liberal stand of adopting the market as the main provider. As a balance between the market and the state sector, the concept of partnership has been employed by them to strike a balance between state and individual responsibilities in welfare. The state sector does not need to be the main provider and it will go beyond a residual provision if the situation requires.

To conclude, reluctant statist prefer a welfare mix with a residual state sector. For it can allow individuals the necessary basic protection against absolute poverty whilst leave room for the non-statutory sectors to prosper. In other words, it is assumed that individuals have more choices because a residual

state sector does not monopolise welfare provision and individuals can top up benefits by their own efforts.

## Welfare Production

Although reluctant statisticians welcome state welfare as a remedy to compensate for the deficiencies of the capitalist system, they believe that individuals should have the obligation to contribute their share. Those unable to contribute have been regarded by them as the new 'undeserving poor'. Henceforth, reluctant statisticians are unlikely to regard welfare transactions as a reproduction of the social right principle. This implies that the 'undeserving poor' have to go through various means-tested schemes in order to gain access to their welfare benefits. Such an administration would obscure the element of social right in a transaction, even though it is a transaction with the state sector. Obviously in transactions with other non-statutory sectors a social right principle could not prevail in welfare relations between users and providers. For example, the voluntary agencies which do not have a state contract are not obliged to provide as their transactions with users are on a charitable basis.

The main concern of reluctant statisticians like Beveridge and Keynes had been the abolition of 'Want' and other social evils of their time, so a participatory democracy was not a priority in their agenda. This lack of concern does change after several decades of the welfare state experience: reluctant statisticians like David Owen have been more ready to assert the importance of 'decentralisation' from a strong state bureaucracy. Owen's (1981, p.14) catch phrase has been: 'the State has become itself

an impediment to further change towards the development of a participatory democracy, wider ownership, co-operation and community'. Decentralisation within state bureaucracy and 'decentralisation' of services to non-statutory sectors are the logical arguments along this line of thought. However, these do not mean that the administrative and authority structures in welfare organisations should have an egalitarian relationship between users, providers and staff. As in non-statutory sectors, neither users have a right of access to welfare nor a right to decision-making within the authority structure of welfare organisations. In this regard, the power relationship between users and providers, and amongst staff in non-statutory sectors has been one-sided in favour of the providers and owners respectively. Therefore, it is inferred that egalitarian relations between users and providers, and amongst staff in welfare organisations are not a necessary condition for reluctant statist.

## FABIAN SOCIALISM

The study of Fabian socialism here mainly refers to its mainstream thinking which had been influential on state welfare policies when Labour governments were in power in the periods under study. The recently emerging market socialist strand still endorses the same socialist values, as it regards markets as 'a procedural institution which is indifferent to any substantive end state whether in terms of social justice, equality, effective freedom, or community' (Plant, 1989, p.52). This understanding of the relationship between end-state values (e.g. freedom and

equality) and procedural means (e.g. the state and the market) departs significantly from the traditional socialist thinking and is very likely to have an impact on any future Labour government's state welfare policies. However, the main objective of this chapter is to formulate normative theories of the welfare state into sets of ideal indicators. These sets of ideal indicators are used to compare with the practical policies of the two societies under study. As the upsurge of a market socialist strand in Fabianism is a recent phenomenon, its inclusion would be to compare the present with the past. This is methodologically unsound. Admittedly some current views in the Fabian tradition are included, however these views represent extensions or refinements of the ideas of the predominant tradition.

### Social Values

Fabian socialists are reformists on the left. They are statist because they believe a free market is immoral. On the contrary state welfare is regarded by them as representing an extension of the fraternity of a society to its members. This belief relates very much to their understanding of the concept of freedom. Fabian socialists see that individual freedom requires a material base. In this light, freedom is not interpreted as the absence of external coercion, but sufficient resources are required in one's command.

Equality of outcome has been valued by Fabian socialists and equal opportunity has not been regarded as a sufficient condition for the realisation of their concept of positive freedom. Equality, in this regard, is a procedural means to achieve greater

freedom. The Fabian task, according to Plant (1984, p.6), is 'to explain how and why we expect liberty to be extended by equality when most of our critics seem to be convinced that the opposite is the case...'. Another Fabian, Field (George and Wilding, 1985, p.73), also argues that freedom is the central socialist value.

Fabian socialists believe that the sources of inequalities have been inherent in the market system. The appropriate direction, for them, is to reduce various kinds of inequalities (Plant, 1984). And in terms of strategy, it is to control and undermine market operations by state regulation and its gradual replacement by the state sector. In this regard, they have rejected the orthodox Marxist notion of the state as simply an executive committee of the capitalist class. The state, representing collective concern and fraternity, is relatively autonomous from the capitalist system, but to what extent the state can control the market has been debatable. Nevertheless, these ideas reflect the Fabians' faith in statism. State action has been regarded by Fabians as an instrument that can eliminate inequalities and extend the material base of individuals for the achievement of positive freedom.

### **The Role of the State**

The earlier Fabians, like Sidney Webb, saw a more comprehensive vision for a role of the state in every sphere. The influence of the state should not be only exclusive to the ownership of means of production, but it is even extended to areas like registration of playcard makers, hawkers, dogs, cabs,

places of worship and dancing rooms (Crosland, 1957, p.84). The assumption behind this view is that, the extension of collective activities at the expense of individual activities constitutes an advance towards socialism. However, not all Fabians seem to share entirely Webb's vision, even for the control of the means of production. One of them is Crosland, he argues that 'the Russian experience has demonstrated, [state ownership] may be used to support a high degree of inequality' (Crosland, 1957, p.89). In his view, an interventionist state for the sake of social equality has to be balanced by the preservation of individual freedom (Crosland, 1957, p.521).

Although Fabians reject a night-watchman state and embrace state action as an extension of collective altruism, experiences of a strong interventionist state have raised some reservations amongst Fabians. Despite these reservations, Fabians still believe that a state should be predominantly interventionist in order to undermine the persistent inequalities generated by the capitalist system (Plant, 1984). As markets fail to distribute fairly and it is only the political state can command the mandate for the realisation of positive freedom through a more equal redistribution of resources and power. In brief, for the Fabians state action has always been a necessary means to the achievement of positive freedom and a greater equality.

Fabian socialists see that the state can restrict the interests of capital by regulation, redistribute resources by fiscal, economic and social policies. As they have recognised the connection between economic, social and political systems, so, they do not believe in relying solely on state provision in rectifying

the inegalitarian outcome of the capitalist system. For example, Titmuss (1958) in the 1950s, had already accounted for the importance of occupational and fiscal welfares in affecting social and economic inequalities. Thus, for Fabian socialists, the regulating and financing roles of the state in redistribution have been indispensable as their means of social engineering.

## The Policy of Distribution

Fabian socialists argue that selective services stigmatise individuals and cause social segregation. These are contradictory to their values of equality and fraternity. As a basic principle, they regard access to welfare as a social right. Fabians believe that people should have an equal right to their fellow citizens in having access to the necessary resources. These resources can help them in experiencing a meaningful way of life that is essential for the realisation of positive freedom. In this light, means-testing as a policy of distribution is socially unacceptable. In other words, social services should be universally provided at a maximum standard.

Although a universal service and an equality of outcome are both valued by Fabians, there is a tension between them. Universal services are provided regardless of income and wealth; however, within the context of a capitalist system, equality in services does not guarantee an equality of outcome. This is because social services are only one kind of welfare. Therefore, equality in social services does not mean people can access to the same occupational and fiscal welfares. In other words, there is a

ground for the use of selective services for the sake of social equality. As selective services are more likely to be used by the deprived and, therefore, they represent an effort of positive discrimination in favour of the poor. Titmuss (1968, p.135) had tried in the late 1960s to solve this dilemma by suggesting that 'some structure of universalism is an essential prerequisite to selective positive discrimination' for 'it provides a general system of values and a sense of community'.

Another Fabian, Crosland (1957, p.146), argued this issue from the other perspective : *means-testing is not a necessary condition for stigmatisation*, for example, those university students who receive grant have not been stigmatised. Based on this illustration, he (Crosland, 1957) concluded that, 'the provision of free and universally available services will not enhance social equality if they are much inferior to the corresponding private service'. From Crosland's perspective, only universal services with a high standard can avoid social divisions amongst different groups of users.

To conclude, Fabian socialists regard access to welfare as a social right, so the provision of universal services is a necessary condition to avoid social stigmatisation. However, Fabians also regard inferior universal services as unacceptable because this kind of provision would engender social divisions. Therefore, they are in favour of universal services at high standards.

## Welfare Mix

Fabian socialists regard the state sector as the primary

means to extend positive freedom and achieve greater equality. Ethically state provision is an extension of collective fraternity and it embodies the meaning of social right. Functionally, a greater coverage by the provisions of the state sector could secure a greater certainty in equal outcome. It has been obvious that other welfare sectors cannot possess the same attribute as the state in their pure forms. For Fabian socialists, a rejection of the market is fundamental because the market commodifies social relations. It also rejects social needs as criteria for providing social services. There should be limited room for the market in a Fabian welfare mix because privatisation 'is likely to increase the stigma associated with public welfare, reduce the quality of the social services and prevent the planned distribution of public expenditures according to need' (Walker, 1984, p.42). Only the state can guarantee social rights of users. Nevertheless, as the practice of contracting-out by the state can increase flexibility in response to needs, Fabian socialists do not reject a plurality of provisions. The key issue here is whether clearly defined standards are maintained for staff as well as users (Walker, 1987, 1991), for example, whether users can participate in the management and operation.

It seems that Fabians cautiously welcome a plurality of welfare sectors. However, their welfare mix is different from the one endorsed by reluctant statisticians in which a residual state sector has to accommodate with its private sector partners. Needless to say, Fabians have preferred a predominant state sector, even though some of them (for instance, the community socialists, e.g. Luard, 1979; Radice, 1979) worry about its

expansion into a bureaucratic and centralised state.

## Welfare Production

The mainstream thinking of Fabian socialism believes in the immoral nature of the market and try to undermine its perverse impact by state welfare. The state sector, which embodies the social right principle, is regarded by Fabian socialists as representing collective altruism (Titmuss, 1970) and providing a material base for freedom (Plant, 1984, 1985). Fabians would believe, only in the transaction of statutory services that users claim welfare as a right, therefore the expansion of the state sector could mean the extension and betterment of the overall welfare of a society as well as the positive freedom of individuals.

Fabian socialists have been aware that a selectivist approach might restrain the social rights of users because access to welfare should not be conditional. This is because conditional access to welfare would allow bureaucratic arbitration. In other words, users cannot claim welfare benefits by using need as the only criterion of eligibility. Therefore, a universal service at a maximum level provides the best condition for the state sector in its production of social relations. As suggested by Crosland, it is 'at the highest level which the community could afford' (1957, p.120).

Fabians, especially the 'community socialism' strand (for example, Luard, 1979; Radice, 1979), see the necessity of decentralisation of the state bureaucracy as a check on an over-

centralised state. However, centralisation in an administrative structure can guarantee equality and efficiency, whilst decentralisation may lead to preferential treatments and inequalities. In this light the form in which welfare organisations should be administered has created a dilemma for Fabian socialists. However, as Fabians are egalitarians and taking the negative experiences of an over-centralised welfare state into account, they are more likely to endorse a decentralised administrative structure in which relationships amongst staff, and between staff and users, can be fostered more freely and be more accountable to users.

It can be inferred that Fabians should consider the equality of social relations as an important element in the arrangement of authority structures in welfare organisations. As an extension of users' social rights to welfare, users are entitled to participate in decision-makings affecting their interests. In contrast with the reluctant statist notion of partnership, Fabians understand it as embodying a principle of equality and an unconditional right to welfare. In this light, in partnership users and providers should be on equal footing. Moreover, as an extension of the value of equality, *participatory democracy should not be* confined to users, the staff of welfare organisations should have a similar right to decisions. In other words, this suggests that Fabian socialists are more likely to welcome a collegiate authority relationship to be developed in welfare organisations as an extension of their social value of equality.

To conclude, Fabian socialists regard welfare transactions as a reproduction of an individual's social right. Hence, wel-

fare provision should be universally free and at a maximum level so that the rights of users are not restrained. On authority structure in welfare organisations, Fabian socialists would welcome a collegiate relationship to be established; whilst regarding administrative structure, they are more likely to embrace a decentralised system in which a more free and egalitarian relation could be engendered.

## **COMMUNISM**

### **Social Values**

In the 'Preface to a Contribution to the Critique of Political Economy', Marx (1968a, p.181) divides society into two spheres - the economic structure, and the political and legal superstructure. Marx believes that social existence determines social consciousness. So, social values as part of the superstructure are largely determined by social existence i.e. the economic structure. In other words, if social consciousness is determined by social existence, then in a communist society there will be another set of social values because of its characteristically distinctive type of society (a different social existence). So, we could find little in Marx, Engel, and Lenin's writings about the type of values that Marxists would like to see as governing principles of our human social relations in an idealised communist society (Deacon, 1983, p.21; George and Wilding, 1985, p.96).

Although the communist social values cannot be prescribed in advance, we could still be able to depict the communist social

values from Marxists' discussion of human nature and human needs. Moore (1980,p.9) has traced what he calls Marx's principle of 'philosophical communism' by looking at what Marx sees the appropriate relation between men and society. He sees that the attack of Marx on the capitalist institutions is based on a theory of man's essential human nature. For Marx, as interpreted by Moore, men are different from animals because they possess an outer and an inner life. In their outer life each man is conscious of existing as an individual. In their inner life each man conscious of sharing the essential nature of all other men. Based on this human nature Marx concludes that the capitalist institutions of class society and commodity exchange dehumanize men, and compel them to behave as isolated individuals caught in a war of each against all. In contrast, communism is the ideal social order which could bring a harmony with man's existence. This new social order is based upon the principle of community - a unity of man and man. In this light, man is a social being in Marx's interpretation of human nature. However, the Freudian concept of innate and ineradicable appropriation of aggression, property and conflict is absent in Marx's account of human nature (Howard and King, 1985, p.24).

Based on Marx's view, social values in their genuine form will only be achieved if the human nature of a man is in congruence with an appropriate social order. This suggests that genuine freedom and equality could only be achieved, according to Marx, with the 'community'. Contemporary communists also share this view. After the death of Stalin, a group of communist intellectuals commissioned by the Soviet Union published a book called

*Fundamentals of Marxism and Leninism.* They have asserted that

Communism is the most just social system. It will fully realise the principle of equality and freedom, ensure the development of human personality and turn society into a harmonious association, a commonwealth of men of labour.

The supreme goal of communism is to ensure full freedom of development of human personality, to create conditions for the boundless development of the individuals, for the physical and spiritual perfection of man. It is in this that Marxism sees genuine freedom in the highest meaning of this word. (quoted in Hyde, 1972, p.27)

From these assertions of a communist value-set, it is inferred that communists and Fabian socialists are quite alike in their social values. Their difference is similar to the difference between Marxists and non-Marxist communists, that is, the different means of achieving their goal. Marxists have not believed in a peaceful transformation between capitalism and communism.<sup>1</sup> And the ideal set of social values governing the ideal social relations in a communist society could only be attained upon a given economic structure. This means that, for communists, social values like freedom means more than a domination over nature, the social conditions of human existence are also involved (Howard and King, 1985, p.17).

The communist set of social values can also be distinguished from that of the Fabian's : the main difference being their belief in the state. Communists believe in a 'withered away' state under communism (Deacon, 1984, p.33) as the precondition

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1. The transformation in East Europe since 1989 may have a significant influence on Marxists' perception of the transition from capitalism to socialism. It is not unlikely that some of them may shift to adopt the Fabian reformist approach towards capitalism.

for the realisation of human nature. Whereas Fabian socialists believe in an essential role of the state, as a separate political entity from civic society, to eradicate the unequal distributions of power and resources between individuals and communities.

To conclude, communists believe that genuine freedom and equality could only be achieved in a communist society where different social conditions of human existence and social needs prevail.

### The Role of the State

Marx (Hyde, 1972, p.96) concluded from the tragic result of the 1871 Paris Commune that the capitalist state is a *coercive* power wielded in the interests of the property class for its protection against the non-property class. Lenin (Hyde, 1972) also shared Marx's view and argued that before the October Revolution the state was an instrument of the ruling class by means of which it maintained its rule. Based on these views, the task for communists is to 'smash' the existing capitalist state apparatus and replace it with one which serves the interest of the proletariat.

Under communism, there is no need for the state to coerce any social institution and strike a balance between individual differences. It is because communists see a different version of the role of the state in a communist society for its economic structure is different. Under this economic structure people could fulfill their human needs. Material abundance is the basis

of a communal life. Besides, people have a new set of human needs that is not based on material wants. The social functions of the state are to provide adequate resources for individuals for their all round active development.

Under communism, a 'communal' state still exists, but it will not be a government in our present sense. The 'communal' state will consist of elected planners and administrators, and everyone can take part in the general affair of the society (Gandy, 1979, p.81). The administrators would not enjoy political authority and could be called back at any time. Their jobs are to ensure that total social products are sufficient enough for the social consumption of people. There is no doubt that this 'communal' state is maximal in its role in the provision of social consumption.

Based on the above analysis, a communist society will not have any money, any market, and any commodity exchange. In other words, a 'communal' state does not have any financial role. In this light, a 'communal' state does not have a regulating role because the state ceases to have any political function.

### **The Policy of Distribution**

If we use a Marxist vision of the communist principle on resource distribution, that is 'from each according to his ability, [and] to each according to his need' (Marx, 1968b, p.318), we will then conclude that, under communism, the issue of universality and selectivity in provision is irrelevant. The communist principle of distribution is based on human needs, not related to

people's work or means-testing criteria. Thus, there is no need for redistribution under communism.

Such a vision has been based on the presupposition that sufficient resources are available for distribution and a new structure of social needs is prevalent in a communist society. It is reasonable to suggest that Marx had to argue on these bases because his concept of communism presupposed state of material abundance. However, from a neo-classical economic perspective, it is simply impossible because 'no matter how productive industry becomes, there will continue to be non-produced quantities and qualities which will remain scarce in relation to human desires. On this argument, there is always a base for competition and conflict' (Howard and King, 1985, p.24). Therefore, communists have to argue that a new social order would prevail under communism in which 'people will themselves have been transformed ... so that human nature will be very different from what it is under capitalism' (Deacon, 1984, p.21).

Heller (Deacon, 1983, p.25) also sees communist society as presupposing a change in the structure of needs, so that individuals would feel the need for more free time than a further increase in production and material wealth. It is inferred that economic structure under communism would provide the foundation for this new set of social values and a new structure of human needs. If ability and need define the criteria of distribution and redistribution, then consumption of welfare will be highly individualised and at a high level. Hence, the issue of universality and selectivity in distribution of welfare becomes irrelevant.

## Welfare Mix

Based on the above discussion, it is inferred that the private sector should definitely not exist under communism along the abolition of exchange system and commodities. The voluntary sector could not find its place in a communist society for this kind of society should provide sufficient resources for human development. Therefore, under communism, voluntary agencies could not find its base of support. The role of family will also be reduced as privatised relationships would be weakened and private property ceases to exist. In this light, people's perception of human needs and the mechanism of their fulfillment will be drastically changed. As argued by Deacon (1983, p.41), 'the obligations of family to kin will be extended to obligations to a wider social network', for the communist social arrangement will be dominated by a 'progressive communalisation of forms of living and house-work'. Deacon (1983, p.41) also assumes that under communism the caring functions of the privatised nuclear family system will be shifted to 'a system of democratic, decentralised, community-run provisions'.

It is clear that community will play a dominant role in provision. However, if a 'communal state' carries only social functions of a 'communal society', whether it will be called as a 'state'. In this society, administrators and planners do not enjoy any privilege and authority, the traditional sense of the term 'state' is absent. In this light, we could define a 'communal state' as a 'macro-community'. It is inferred that this 'macro-community' may have to take care of resource redistribu-

tion of more than one single community. For the community in which people live, work, and share responsibility can be called a 'micro-community'. In this sense community would become the main provider of welfare.

## **Welfare Production**

Under communism, welfare is provided by a 'communal state' in accordance to people's need regardless of their ability, income and wealth. It is because communism presupposes material abundance and a new set of human needs. It has been inferred that the fulfillment of welfare will be highly individualised and in a high level according to one's wishes. In this way, welfare transactions in 'communal state' will reproduce new sets of social values and human needs. These sets of social values and human needs reflect the material base of the 'communal state', that is the abolition of commodities and exchange systems. In this light, this new material base will enhance a system of communal ownership; and a sense of fraternity in people will also prevail.

Based on these new social conditions in a communist society, organisational structures in welfare organisations should reflect a new welfare ideology of this 'communal state'. As it is assumed that a communist society is a society in which everyone has the equal right to 'govern' and participate in affairs affecting them. Thus, on one hand, social relations within welfare organisations should be egalitarian. While on the other hand, administrative structure should be organised in a decentralised way of which everyone is able to participate as one wishes.

Although centralisation is still possible under communism, it is clear that communists prefer decentralisation and a maximum participation of users in service provision.

Under communism, the distinction between users and providers will diminish because providers are directly accountable to the 'communal state' in which political authority has ceased to exist. Providers of welfare in a communist society, like its administrators or planners, could not enjoy any authority over users and their administrative authority could also be called back at any time. Besides it is clear that ownership of welfare organisation should cease to exist.

## INDICATORS OF NORMATIVE THEORIES OF THE WELFARE STATE

In the following table, five groups of indicators have been listed as a summary of their respective normative theories. These indicators will be used to compare with the practical policies of the selected countries under study. *It is clear that these indicators are ideal expectations which have been constructed according to an analytical framework of the welfare state.*

**Table 3.1: Indicators of Normative Theories of the Welfare State**

Welfare Theories	Variables	Indicators
Conservatism	Social Values	Tradition and authority are their social values. Inequality is essential for the hierarchical order. Welfare is an act of voluntary benevolence, not a right.
	The State's Role	In favour of a strong and moral state. Interventionist state in welfare for the preservation of

institutions associated with tradition and authority and minimalist in other welfare issues.

The Policy of  
Distribution

Welfare as a charity.  
In favour of selectivist approach except in areas for a strong and moral state.

Welfare Mix

Higher priority to the informal and voluntary sectors.  
The choice of the state sector to be qualified.  
Ambivalent about the market.

Welfare Production

In favour of the reproduction of inegalitarian relations.  
In favour of a structure of hierarchical relations amongst owners, users and staff.  
Centralisation in administrative structure is necessary but decentralisation can be tolerated in conditions not affecting their authority.

Neo-liberalism

Social Values

Negative freedom as an eternal value.  
Inequality as a necessary condition for the realisation of negative freedom.  
Recognises state welfare only in occasion for the compensation of the diswelfare outside the market system.

The State's Role

Minimalist except in terms of the market's frame building.  
Regulatory role in overseeing frame building and dealing with external effects of the market.  
Financing and providing roles should also be minimal.

The Policy of  
Distribution

Welfare not a right.  
In favour of selectivist approach except in areas favourable to the establishment of 'the rules of the game'.

Welfare Mix

Favoured choice is the market.  
The state sector is necessary in modern societies but it has to be cautiously scrutinised.  
Other sectors as supplementary and could enlarge individual choice.

Welfare Production

In favour of inegalitarian social relations in welfare transactions because of its rejection of social right principle.  
Decision makings more likely to be authoritarian because collegiate relationship not a priority.  
Disfavour of bureaucratisation and in favour of decentralising the statutory services to non-statutory sectors.

Reluctant Statism

Social Values

A reconciliatory position between positive freedom and negative freedom.  
Not truly egalitarian because it also endorses the market system.

State action is accepted reluctantly because the failure of the market.

The State's Role	Endorses a minimalist state but ready to provide more. State's role in regulation, finance and provision as supplementary and complementary to the market but not to replace it outright.
The Policy of Distribution	Welfare not as a right. Universal services at a minimum and leave room for individuals to top up by their own efforts. Unavoidance of a group of "undeserving poor" with means tested benefits.
Welfare Mix	Plurality of sectors welcomed as offering more choices for individuals. A comprehensive residual state sector welcomed.
Welfare Production	Welfare transactions not as a reproduction of social right principle. Decentralisation is stressed especially decentralising to non-statutory sectors. Egalitarian relation between users and providers is not a necessary condition.

#### Fabian Socialism

Social Values	Endorses positive freedom and equality of outcome. State action as representing collective concern and fraternity.
The State's Role	A predominant interventionist state. The state's roles in regulation, finance and provision as means to rectify the inegalitarian impact of the market and as part of the redistributive strategy.
The Policy of Distribution	Welfare as a right. Endorses universal services at a maximum standard to avoid stigmatization.
Welfare Mix	A predominant state sector as an extension of individual's positive freedom. Acceptance of other welfare sectors under specific conditions if the right of users is guaranteed.
Welfare Production	Welfare transactions as a reproduction of social right. Egalitarian relation between users and providers endorsed. Collegiate authority relationship between staff is welcome. More likely to endorse a decentralised structure in which a more free and egalitarian relation can be engendered.

#### Communism

Social Values	The precondition of community in the realisation of genuine freedom and equality.
The State's Role	The state ceases to have any political role. The 'communal' state is maximal in welfare provision.

The Policy of Distribution	Redistribution based on human needs. Consumption of welfare is highly individualised and at a high level.
Welfare Mix	Community becomes the main provider. Other sectors cease to exist under communism.
Welfare Production	Welfare transactions reproduce the ideology of communal ownership and fraternity between individuals. Ownership of welfare organisation ceases to exist. Social relations are egalitarian. Administrative structure is decentralised to allow maximum participation for each individual.

## REMARKS ON THE LIMITATION

In this chapter, five groups of normative theories of the welfare state have been selected. The analytical framework formulated in Chapter 2 has been used to construct them into theoretical models of the welfare state for this study. In these theoretical models, five variables are selected to represent each model. These variables have further been operationalised into ideal indicators in order to make possible their comparisons with empirical indicators of the practical policies to be studied. This process of operationalisation of variables has enabled constructs of normative theories of the welfare state to be defined into measurable indicators.

However, this approach has an obvious limitation : the researcher may not be able to exhaust all the viewpoints in each normative theory constructed. This limitation is very conspicuously in this study where so rich a body of theories has to be generalised into so short a space as a single chapter. Nevertheless the selection of normative theories on the basis of a two-dimensional framework is intended to minimise this limitation. In

Figure 3.1 of Chapter 2, the two dimensions of equality and state offer four axes : pro-state and inequality, pro-state and equality, anti-state and inequality, and anti-state and equality. In this light, a welfare state theory located on each axis will be defined by the two social values which delimit the context of the axis and form an acknowledged conceptual framework in the selection of viewpoints. Thus the construction of a normative theory according to this approach does not represent adequately all viewpoints of each theory. Indeed, it is impossible to do so in any account because new ideas always emerge in response to new social reality. There has to be a stop-press deadline. Therefore a conceptual framework has to be used as a selection criterion of viewpoints. Without this researchers will be confronted by the impossible task of exhausting all viewpoints within each school of thought. In conclusion I would argue that this approach towards the construction of normative theories of the welfare state is still valid despite this limitation.

## Chapter 4

### CASE STUDY 1 - BRITAIN'S CHILD DAYCARE POLICY

#### Introduction

This chapter is divided into two parts. The first part deals with the child daycare policy of the British national governments in the period between the end of the World War II and the later part of the 1980s and the second looks at the same policy at the local level in Sheffield. This case study confines to this period as a comparative study of a similar period in Hong Kong's case study.

As suggested in Chapter 2, social values, the role of the government, the policy of distribution, welfare mix and welfare production have been formulated as an analytical framework for practical policies. In this light, in this chapter, child daycare policies at both national and local levels are constructed according to this analytical framework.

This study has relied on two major sources of data. The first is secondary data such as government reports, documents and statistics relevant to childcare services in Britain and Sheffield. The second source comes from interviews with some key individuals within the policy making process and with various

sectors' providers in child daycare.<sup>1</sup>

As the data collection was carried out in the period between 1987-88, the latest figures of statistics were not beyond 1988 (1989 for Sheffield's sub-unit study). The study of welfare production is confined to the formal daycare institutions as informal care arrangements require little formal organisational structure.

## Part 1

### THE BRITISH NATIONAL UNIT

#### Social Values of the Post-war Governments-in-power

This section looks for a brief account of social values of the two main political parties in-power in Britain over the period in study. This is a brief overview and it has to be selective and can hardly avoid being overgeneralised. In this light it will be inevitably unjust to the enormous production and the diverse range of ideas over the period in these two parties.

It is assumed in this study that the social values of the government-in-power, together with the role of the government and the policy of distribution constitute the state ideology. These three variables are assumed to inter-relate with each other. Therefore, this section confines itself to the study of social

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1. A researcher on childcare policy, two Sheffield local government officers, a local Labour councillor, three local authority day nurseries, a workplace day nursery and three childminders in Sheffield were interviewed or visited in the summer of 1988.

values in general party and government statements and leaves the study of the role of the government and the policy of distribution in the coming two sections. In doing so, the extent of the interrelatedness of these three variables in state ideology can be examined.

## The Labour Governments-in-power

Since the Second World War, the Labour Party had been in power during the periods 1945-51, 1964-70, and 1974-79. Labour had claimed to be a socialist party. In the 1945 Election Manifesto, its goal was 'the establishment of the Socialist Commonwealth of Great Britain' (Labour Party, 1945). In another winning Manifesto of February, 1974, social and economic equalities were seen as socialist objectives of the party. For instance, the Manifesto pledged to 'bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families ...' (Labour Party, 1974).

In attempting to achieve these election promises, the Labour governments had used state power to intervene in the economy and increase the provision of welfare. The achievement of the first post-war government was particularly remarkable (Miliband, 1972, p.286). Underlying government action was the belief that individual freedom could only be achieved through economic and social equalities, and through 'economic security and freedom .... the greater end of the full and free development of every individual person' (Labour Party, 1945) could be attained.

The Labour Party believed that the government should use its

power to redistribute social resources and allow individuals with sufficient material means to pursue a meaningful life. Collectivism, equality and positive freedom had been the essential social values in Labour's ideology. In this regard, the Labour Party's social values had been essentially the same as those of the Fabian socialists who were also part of the labour movement. However, as a broad church of ideology, Labour did not draw its ideology purely from Fabian socialism. Labour was founded by the trade unions as their political extension (Foote, 1986, p.6; Coates, 1975). Trade unions had played a significant part in the politics of the Labour party. For example, at one time trade unions controlled 40 per cent of the total votes in the election of the party leader (Ingle,1987). It is argued that as a 'labour' party, Labour had been constrained from formulating a general social and political philosophy. It is because trade unions in a capitalist society have aspired to protect and advance the welfare of their members. In other words, the trade union movement is essentially a sectoral movement. For this reason, trade unionism had posed itself as a constraint on the Labour party's 'socialism'. It is inferred that any egalitarian approach towards the distribution of income had run contrary to 'some of the most deeply entrenched practices of trade unions' which were first to defend and advance, where possible, the wages of trade union members (Drucker, 1979, p.50); hence, the interests of both non-waged and non-members would have been neglected.

Obviously, trade unionism as an ideology stresses equality and fraternity as well; but these socialist values may be interpreted as confined only to their members. So, it could be in

contradiction with Labour's egalitarian socialist values that are supposed to cut across the 'work and non-work' divide. Based on this analysis, labourism (Miliband, 1972) is a more appropriate description of the Labour Party than the ideology of Fabian socialism.

Another constraint on Labour's 'socialism' had been its method of achieving socialism. When Labour was in government, it was criticised as not being radical enough to transform capitalism into socialism (Miliband, 1972, p.13), the policy it had pursued was to renovate capitalism : the technocratic-corporatist approach of the Wilson governments had served the needs of capital by a process of restructuring the welfare services to be more economical (H. Kerr, 1981, pp.14-15). This move, at that time, was responded to the relative decline of Britain as a world power in the post-war era. Under this context, Labour's aim was to restructure the British capitalist economy as an effort to increase its profitability. And consequently, state expenditure as 'a burden on the market' began to gain support amongst the last Labour government (1974-79) (H. Kerr, 1981, pp.5-6). In this light, its Treasury planning machinery had developed 'to maintain its rule not only in economic but also social affairs', and 'the exigencies of the economy, as decided by the Treasury, [had] led to the adoption of public expenditure control as the dominant form of planning approval by the Cabinet and imposed by Whitehall' (Townsend, 1980, pp.8-9).

The adoption of this approach had turned Labour's social policy into one that was subsumed by its economic policy (Walker, 1983); thus, the impact of the last Labour government's

economic record on equality can only be described as dismal (Ormerod, 1980, p.61). Townsend (1980) went further to argue that the last Labour government was 'not a record of success in establishing socialism'. He illustrated that 'traditional pay restraint was preferred to an effective social contract or a statutory incomes policy ... unemployment doubled and a wealth tax was deferred' (Townsend, 1980, p.23).

On the basis of the above brief discussion, despite the fact that the Labour Party had subscribed to socialist value-set in its policy statements, its normative aspirations were partly constrained by the sectoral interest of trade unions which had a historical and structural power base within the party. Further, as far as equality was concerned, Labour had achieved little because of its belief of a productionist approach to social policy. Despite its socialist rhetoric, when Labour was in government, it had conformed more to 'labourism' than 'socialism'.

On this basis, labourism may assume equality as an important social value, but it tends to emphasize equality between labour and capital and neglects the unequal divide between men and women due partly to the influence of the male-dominated trade unions in the Labour Party. In other words, labourism regards the state's role as important in rectifying the unequal outcome in wealth and income between labour and capitalist class, but the access of women to services which would enable them to have the material base for positive freedom is not on the agenda. State action, if unchallenged, is likely to be confined in areas which affect the balance between labour and capital. It can be inferred that, state power is used to conserve the interest of the male-dominat-

ed trade unions, so this labourism is in a *conservative framework* as far as gender equality is concerned. In this regard, when Labour was in power, child daycare had not been seen by it as providing a material base for women to exercise their freedom to choose between work and family.

### **The Conservative Governments-in-power**

Since the Second World War, the Conservative Party had been in power in periods 1951-64, 1970-74 and from 1979 onwards. In the first two periods of its government it also stood for the 'welfare state' programmes set forth by the first post-war Labour government. For example, in its 1951 election manifesto (Conservative Party, 1951), the Conservative Party promised to build 300,000 houses a year, an amount no less than that had promised by the last Labour government. In education and health, it also promised to provide more than the last Labour government. Apparently, the succeeding Conservative government was not to dismantle the British 'Welfare State', for the 'majority opinion within both parties came to see the post-war arrangements and the post-war policy regime as an acceptable compromise' (Gamble, 1987, p.190).

A similar consensus on state welfare was accepted in the second period of the Conservative government in the early 1970s when Heath was its leader. The 1970 Manifesto (The Conservative Party, 1970) argued that 'The fundamental problem of all British's social services - education, health provision for the old and those in need - is the shortage of resources'. So, it promised 'to develop and improve Britain's social services to the

full'.

Up to the Heath government, the Conservative Party had believed that state welfare could sustain the conservative values of authority and tradition in building a 'One-Nation' state. It was suggested that the Conservative ideal of a traditional hierarchical order had to rely upon 'the rich in the castle' to have the consent from 'the poor in the gate' (Ingle, 1987, p.25). To them, state welfare was a means to their ideal end of an hierarchical order - a community in which all were not equal but the rich did care for the poor, just as advocated in Disraeli's 'One-Nation' philosophy. In other words, welfare was a necessary price to pay for the consent of the poor for their submissiveness in the unequal but 'undivided' one-nation state.

The steady economic growth in the 1950s and 1960s had provided the one-nation conservatism with the necessary steam because economic growth allowed the rich not to be worse off after redistribution. However, when the economy slowed down after the world oil crisis, the need for capital accumulation had been in conflict with the need of state welfare. Thus, increasing public expenditure and a measure of redistribution financed out of a steadily expanding economy could not be assumed. In other words, the economic base of the post-war consensus on state welfare had been undermined and this paved the ground for the growth of Thatcherism (Gamble, 1983).

The cuts in public expenditure by the Thatcher government were to use market forces to reduce real wages and augment profits for capital, and shifts in social policy were designed to reassert neo-liberal values of individualism, self-reliance and

family responsibility as to reverse the post-war consensus on state welfare (Gough, 1983). The ceaseless pursuit of individualistic desire for capital accumulation came into direct conflict with the traditional pre-Thatcherite one-nation philosophy. The Thatcherite incorporation of neo-liberal ideology had pushed this tension into the open, as the neo-liberal value of individualism was in favour of more relentless capital accumulation in the disguise of negative freedom from state coercion. However, it is not appropriate to suggest that the Thatcherite strand of conservatism totally departs from traditional conservatism. It is actually another strand of conservatism with its incorporation of neo-liberal values, for neo-liberalism also needs a strong state to build a framework for market forces to operate. The neo-liberal strong state is indeed a redirection of the state's energies to areas where the market order can be maintained and extended. In other words, 'the free market [also] requires a strong state' (Gamble, 1983).

Besides, the minimalist state of neo-liberalism is not contradictory to the inegalitarian nature of conservatism. Neo-liberalism believes in inequality. This belief is compatible with the traditional hierarchical order of conservatism. In addition, the neo-liberal individualism could magnify the inegalitarian strand of conservatism into a new dimension, a dimension which incorporates the market order. Based on the above discussion, it can be said that Thatcherite conservatism was another artificial blend between conservatism and capitalism in the Conservative Party's adjustment to the new condition of the capitalist economic order.

Conservatism changes over time but basically it has a strong belief in inequality. The one-nation pre-Thatcherite conservatism believes that the government should have a role to play in welfare whilst Thatcherite conservatism basically rejects governmental welfare action as it threatens to individual freedom. In this regard both strands of conservatism adopt a similar position to women's role in the family and society. Nevertheless, one-nation conservatives are more likely to be persuaded by welfare demands whilst Thatcherite conservatives tend to stand firm on their value-set which stresses self-reliance and family responsibility because of their incorporation of the neo-liberal thinking.

## The Role of the Government

In 1945, a joint circular from the Ministry of Health and Ministry of Education was issued to instruct local authorities about the arrangements required to carry out the closure of the wartime nurseries. It stated that,

The Ministers concerned accepted the view of medical and other authorit[ies] that, in the interests of the health and development of the child no less than for the benefit of the mother, the proper place for a child under two is at home with his mother. They are also of the opinion that, under normal peace-time conditions, the right policy to pursue would be positively to discourage mothers of children under two from going out to work; to make provision for children between two and five by way of nursery schools and nursery classes (Circular 221/45, Ministry of Health; Circular 73, Ministry of Education).

Coupled with this circular was the report of the Curtis Committee (1946, pp.134-135) which was highly critical of resi-

dential childcare provision and strongly endorsed the expansion of foster care. The assumption behind these documents was the thesis of maternal deprivation:

What is believed to be essential for mental health is that the infant and young child should experience a warm, intimate, and continuous relationship with his mother (or permanent mother-substitute) in which both find satisfaction (Bowlby, 1952, p.11).

This view of the mother-child relationship had based on studies of institutional childcare (Parker, 1986, p.307) and could not find sufficient scientific support. However, it had begun to assume political importance because it provided a "scientific" rationalisation for those concerned to sustain a division of care that might otherwise have been at risk from trends occurring within society, especially those concerning the status and position of women' (Moss, 1982, p.123). With this thesis entrenched in the government policy, there had been a continuous fall in day nursery provision from 1,431 premises for 67,749 full-time places in January, 1945 to the end of the first post-war Labour government in 1951, with 820 premises for 40,100 full-time places (Ministry of Health, 1946, 1951).

From this period onwards the government policy towards child daycare had been quite consistent between Labour and Conservative, even though the Labour governments issued most policy documents. There appeared to be a consensus between the two main parties in child daycare policy. Apparently the maternal deprivation thesis seems to fit in better with traditional conservatism's assumption about family than the same assumption in the socialist ideology of the Labour Party. It is because in conservatism family is more likely to imply a more obviously patriar-

chal division of labour within the household' (Morgan, 1985, pp.59-60). However, from the socialist perspective,

The family is the place where [socialists] care each other where [they] practice consideration for one another. Caring families are the basis of a society that cares. (Callaghan, Guardian, 25/5/1978 in Morgan, 1985, p.59)

Based on this assumption, the family can be seen as a centre of caring and egalitarianism in the socialist strand of the Labour Party (Morgan, 1985), and there should be no contradiction for a government action with the provision of child daycare to support women in their caring role. However, in the immediate post-war period, the lack of feminist-socialist campaign which reflected the triumph of familialism over feminism of the time (Riley, 1979) contributed partly to the close-down of the war-time nurseries.

Besides, the male-dominated trade unions in that period had also limited the appeal for a redistribution of the gender roles within family and society. Some organised trade unions had still been hostile to women taking particular types of job. For instance, the unofficial strike of the 14,000 London transport workers in 1950 in which one of the demands was no further employment of women conductors (Walby, 1986, pp.207-208) illustrated this sexual bias. It had not been until the late 1960s that most of the major unions adopted policies urging equality of opportunities between the sexes (Walby, 1986). Thus, it was not without reason that the Labour party had adopted a minimalist policy towards the provision of day nurseries and change had made until the male dominated interests were challenged (Walby, 1986,

Returning to the outcome of this minimalist role of the government, the provision of day nurseries was designed to serve the special needs of the deprived groups - the one-parent families and children without adequate family care (Ministry of Health Circular, 21/45, 37/68). In Table 4.1, the apparent consistency between the Labour governments and the Conservative governments produced a percentage as low as 0.54 of the under-five population having day nursery places in 1970 to the percentage of 1.12 places in 1988 in England and Wales. However, the available figures show that in the same year, there was a percentage of 57.8 of the under-fives having nursery education places (full-time and part-time) and back to 1970, the percentage was 32.5. It is clear that the provision of nursery education was much favourable than daycare.

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Table 4.1 Insert Here (The Following Page)

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1. The result of this can be seen in the Labour Party's 1988 first report of its policy review into 1990s, which states that 'freedom and equality can only be guaranteed if the law has the support of positive strategies and policies to enable those rights to be exercised. For example, for many women, fair employment legislation is meaningless without provision for child care to enable them to exercise the freedom to work' (The Labour Party, *Social Justice and Economic Efficiency*, 1988, p.33).

**Table 4.1 Day Nursery and Nursery Education Provisions**  
(England & Wales)

Year	Day Nurseries			Nursery Education	
	Age 0-4 (thousands)	percentage	thousands	percentage	thousands
1945	3,128	2.16	67.7	/	/
1949	3,701	1.16	43.1	/	/
1959	3,452	0.66	23.0	20.6	59.6
1970	3,977	0.54	21.5	F.T. 26.4 P.T. 6.1	81.7
1975	3,421	0.76	26.0	F.T. 30.64 P.T. 13.59	129.2
1980	2,953	0.96	28.6	F.T. 26.77 P.T. 19.96	158.2
1985	3,151	0.92	29.1	F.T. 29.33 P.T. 26.17	176.1
1988	3,097(1987)	1.12	34.8	F.T. 29.31 P.T. 28.50	186.7

F.T.: Full-time P.T.: Part-time

Source: DHSS, *PSS Local Authorities for England, 1985*; DHSS, *Health and Personal Social Services Statistics for England, HMSO, 1972-89*; Welsh Office, *Health and Personal Social Services Statistics for Wales, 1974-89*.

In 1944, an education act was passed with a promise of providing education for children between two and five. Both parties had a consensus on nursery education. For the Conservative Party, nursery education could serve in equipping the succeeding generation for the one-nation state. Whilst for the Labour Party, the early start at preschool level would also be

compatible with its productionist approach to social policy. Besides, at that time, nursery school provision was regarded as a compensation for the close-down of war-time day nurseries (Riley, 1979). However, the expansion of nursery education had been slow, in 1959 only 20.6 per cent (59.6 thousand places) of under-fives in England and Wales were provided places in nursery schools and classes (Table 4.1). It was until 1967 when the Plowden Committee recommended to the Labour government of the time a large expansion of nursery education, on a part-time basis, 'because young children should not be separated for long from their mothers' (The Plowden Report, 1967, p.121) ... and the provision of full-time nursery places 'is generally undesirable, except to prevent a greater evil' (ibid. p.127). The succeeding Conservative government had followed the same line and set its expansion goal for 90 per cent of nursery education for the four year-olds, and 50 per cent for the three year-olds to be available without charge (Secretary of State for Education and Science, 1972, p.5). Despite the expansion, the thesis of maternal deprivation had operated effectively as the underlying rationalisation of not only the exclusion of full-time daycare, but it was, in the education field, also the absence of any nursery school provision for the under-threes.

However, the expansion of nursery education could not satisfy the needs of working mothers. In the 1970s, the rising demand on childcare provision had pressurised the last Labour government (1974-79) to respond to the issue. Nevertheless, it did not intend to increase the provision; instead, it looked for a low-cost solution.

In 1976, the Sunningdale Conference on 'Low Cost Day Care Provision for the Under-fives' was organised for this purpose. The holding of this conference coincided with the issuing of another two joint circulars to promote low cost provisions and efficiency improvements by means of inter-departmental and inter-sectoral co-ordinations (Minister of Health and Minister of Education, 9/3/1976, 25/1/1978). In this regard, additional resources have not been injected as social services were regarded by the last Labour government as a burden on the economy (Walker, 1983); thus the maintenance of the government's minimalist policy was not surprising. And it was equally natural for the succeeding Thatcherite Conservative governments to continue the minimal provision of day nurseries because this was compatible with its neo-liberal ideology of non-intervention.

Even in the late 1980's, the upsurge of concern in daycare due to the changing demographic and social climate had little impact on the fundamental stance of the Conservative Party. This revived interest had been fueled by the forecast shortfall in skilled workers when the number of school-leavers would have dropped by up to 33 per cent by one estimate in the mid-1990s (Times, 17/1/1989). The shrinking youth labour pool was forecast to be offset by the rising proportions of working women returning to the labour market after some years absence (National Economic Development Office and Training Agency, 1989, p.13). In this light, women with young children were regarded as a special reserve ready to fill the gap in any labour shortage crisis. However, the Thatcher government's response was typical of its neo-liberal ideology : the focal point of its five-point plan was

to encourage employers to take the advantage of tax relief to set up workplace nurseries (Times, 12/4/1989).

On the basis of the above discussion, it is inferred that in the provision of day nursery places that the role of the government had been minimal. Subsequently, the financing role of the government had been also minimal as 'low cost' was the general principle. However, the minimal providing and financing roles had led to demands on the regulating role of the government under study. Apparently insufficient government provision had shifted the demand to the use of private day nurseries and childminders. In case the quality of the private sector was not satisfactory the government intervened. Childminding offered such a case example.

In the late 1940s the government had been forced to admit that 'children who are privately looked after by daily minders are the only groups of children who are not properly cared for and supervised' (Hansard, 1948, col.518). In this regard, the Day Nurseries and Childminders Act was passed in 1948 but it had not prevented the outburst of scandals about childminders' malpractice. By 1965, the Ministry of Health was alarmed by the bad reports of childminding that it initiated an inquiry in some health authorities (Mayall and Patrie, 1983, p.20). This had finally led to the 1968 Amendment to the Health Services and Public Health Act, which tightened the registration and supervision of private day nurseries and childminding. The above discussion illustrates that the minimalist roles in provision and finance had induced an increase in the government involvement in its regulating role as the demand of services was diverted to

the non-statutory sectors. However, the role of the government was still permissive and passive.

In concluding this section, it is clear that successive governments in Britain had adopted a minimalist role despite their political differences. The role of the government in provision and finance was minimalist, whereas its regulating role was also passive and permissive though there had been a demand for its attention to the expanding non-statutory sectors. Such passive and permissive attitudes in regulation were inevitable because if the government had raised the standard of services, there would have been a decrease in non-statutory provisions; and then the pressure would have increased for it to shift its position.

### **The Policy of Distribution**

If a government takes a minimalist role in child daycare services, this approach to its role will probably lead to a policy of service distribution based on selectivity. This is because, despite demand, this government only allocates limited resources to daycare provision. In this way, the provider will be required to select service users. Thus, the form of the services is not defined by users but by providers. Under such a condition, neither children nor their mothers could have any right of access to services unless they have met the criteria which are laid down by the provider.

The joint circular of the ministries in 1945 was the first step of such a move towards stringent criteria when day nursery

places had become scarce. For example, in the immediate post-war period, government circulars recommended that only those 'mothers who are employed in industries which are vital to production for essential home needs or for export', or those 'children whose mothers are constrained by individual circumstances to go out to work', or for those children 'whose home conditions are in themselves unsatisfactory from the health point of view, or whose mothers are incapable for some good reasons of undertaking the full care of their children' (Ministry of Health, Circular 21/45; Ministry of Education Circular 75) were eligible for admission. In other words, the government had begun to exclude working mothers from being general users of day nurseries except under certain criteria.

When places in day nurseries became more scarce in the 1960s, the priority had normally been given to children with only one parent 'who has no option but to go out to work and who cannot arrange for the child to be looked after satisfactorily' (Ministry of Health, Circular 37/68,p.2). For the rest, inadequate family care (primarily maternal care) 'from a health point of view or because of deprived or inadequate backgrounds' were suggested as criteria for the concerned staff of local authorities in allocating their scarce day nursery places.

This selectivist approach reflected the rejection of rights of both parents and children for child daycare services. Also in line with this ideological stance the service was not provided free. Parents receiving child daycare services for their children had to pay according to a means-tested scale based on the income of their families. Although a substantial number of par-

ents did not have to pay, or the payment received did not reflect the actual running cost of day nurseries, the policy of fee charging reflected the government's ideological assumptions about daycare for children.

Apart from fee-charging, the financial arrangement of supporting day nurseries was another device to make sure such an ideological assumption had been put into practice. When the first post-war Labour government closed the war-time day nurseries, it had also shifted part of the financial commitment to local authorities. From 1st April 1946, when local authorities had begun to assume responsibilities of operating day nurseries, they only got 50 per cent of the grant from the Ministry of Health for their expenses on day nurseries (Hansard, 1946/47, col.1457-8). In this light it had been financially disadvantageous for local authorities to expand day nurseries which was not a statutory responsibility. As the Ministry of Health (1951, p.64) made it clearly in its report in 1951,

The contraction of the service was clearly not unrelated to its high cost ... Authority increasingly included to the view that expenses of this order could be justified only where children in specific need on health or social grounds were concerned, and should not be incurred where the question of day time care of children arose solely from the mother's desire to supplement the family income by going out to work.

Based on available statistical reports (DHSS, 1972, 1973, 1978; Department of Health, 1989), local authorities had stabilised their expenditures in child daycare to the total cost in personal social services in a narrow range, at the highest per cent at 4.24 in 1963 (England and Wales), to the lowest per cent at 2.63 in 1974 (England) whilst the latest financial figure was

3.35 in 1987 (England). Considering the existing minimalist provision of day nursery places (0.92 for every hundred under-fives in 1985 - Table, 4.1), a ten-fold increase had only amounted to less than a ten per cent provision to the population, but the expense would have soared up to over 30 per cent of the total cost of local authorities in their personal social services field.

Thus given the limited central government support the right of women to work was neglected. In other words, only social deprivation justified state welfare. As it has been found that stigmatisation is the accompanying social condition for selective services (Fuller and Stevenson, 1983), this one is not exceptional. Subsequently, when the Home Secretary launched an urban aid programme in 1968 to assist areas of special social need, provision of day nurseries was selected as one of the priority services of the government's effort to combat social deprivation (Ministry of Health and Social Security, 1968; Ministry of Health Circular, 37/68). This implies that, provision of day nurseries had become a strategy to deal with the 'cycle of deprivation'. Thus day nursery places became a social stigma.

Based on Labour's socialist egalitarian principle, Labour should not be in favour of selectivity. However, if Fabianism had been replaced by labourism as the predominant ideology of the Labour Party, the neglect of social stigmatization would have been understandable. In this way, selective service became a cost cutting device for Labour's economic dominated social planning. For One-Nation Conservatives, selectivity-induced stigmatization as an inferior social status for the state-provided day nursery

places was compatible with their belief in the hierarchical structure with regard to social relations. Whereas for Thatcherite Conservatives, the established policy of distributing day nursery places was consistent with their neo-liberal strand of putting aside the responsibility of welfare to individual and family. In sum, only those stigmatized few were eligible for state subsidy. Thus, the principle of distribution which had been based on the thesis of maternal deprivation reaffirmed the belief that access to child daycare services was not a social right, but a transaction of relief for the deprived few.

### Welfare Mix

In 1959, only 0.7 per cent children aged 0-4 in England and Wales were in local authorities day nurseries. Whereas in 1972, 1980, and 1985, the figures were 0.6, 1.0, and 1.1 percentages respectively (Table 4.2). Clearly, the demand for local authorities day nurseries could not be sufficiently satisfied; for example in 1975 and 1985, there were respectively 12,000 and 15,000 of children in their waiting lists (DHSS, 1985).

The unsatisfied demand for children was met by private childminders and private day nurseries. In 1949, there were only 1,703 children placed in childminders (DHSS, 1972); however, the number of children jumped to 10,192 in 1959, and in 1972, the number rose to 90,000 and fell back to 64,500 in 1975. Since then, the numbers of childminders had risen sharply to the records of 109,700 in 1980, 130,100 in 1985, and 162,300 in 1988 in England and Wales (Table 4.2). For private and voluntary day

nurseries, the figures were less impressive. In 1949, there were only 6,893 private nursery places (DHSS, 1972). There was no record of voluntary sector day nursery places available at that period of time. The figure of private and voluntary day nursery places recorded in 1959 was 13,155 and their provision had become stable since the early 1970s in around 23,500 and 26,900 in the years 1972 and 1985 respectively, or the percentages between 0.6 to 0.8 of the underfive population (Table 4.2). The figure jumped sharply to 37,600 in 1988, or represented 1.2 per cent of the underfive population (Table 4.2).

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**Table 4.2 The Provision and Percentage of Under-fives Attending Different Types of Childcare and Education Provisions (England and Wales)**

	1959	1972	1975	1980	1985	1988
Population 0-4 (thousands)	3,452	3,824	3,421	2,953	3,151	3,097 (1987)
<b>Local Authorities</b>						
<b>Day Nurseries</b>						
children(thousands)	23.0	23.0	26.0	28.6	29.1	34.8
percentage	0.7	0.6	0.8	1.0	0.9	1.1
<b>Private and Voluntary</b>						
<b>Day Nurseries</b>						
children(thousands)	13.1	23.5	27.0	22.8	26.9	37.6
percentage	0.4	0.6	0.8	0.8	0.8	1.2
<b>Playgroups</b>						
children(thousands)	/	272.3	342.5	382.8	425.9	426.4
percentage	/	7.3	10.0	13.0	13.5	13.8
<b>Childminders</b>						
children(thousands)	10.2	90.0	64.5	109.7	130.1	162.3
percentage	0.3	2.4	1.9	3.7	4.1	5.2
<b>Nursery Education</b>						
children(thousands)	206.0	354.1	442.4	467.3	555.0	578.2
percentage	6.0	9.3	12.9	15.8	17.6	18.7
<b>Non-attendance of</b>						
Any Type %	92.6	80.0	73.6	65.7	62.0	60.0

Sources:DHSS, *Health and Personal Social Services Statistics for England and Wales, 1972*, HMSO; DHSS,*Health and Personal Social Services Statistics for England, HMSO,1973-1989*; Ministry of Health, *Annual Report,1946*; Welsh Office, *Health and Personal Social Services Statistics for Wales, HMSO, 1974-1989*.

The reason for the lack of momentum in the expansion of private and voluntary day nurseries in the seventies and the early eighties would have been their high running cost and their uneven geographical distribution. As suggested in the Central Policy Review Staff report (CPRS,1978), private and voluntary day

nurseries tended to concentrate themselves in those areas where there was a tradition of skilled female employment and reasonably high wage levels. For example, out of the 975 full-time premises in 1976, 72 were operated in the West Midlands (an industrialised region), and 205 in London (a financial centre). On the contrary, in the less industrialised South West only 47 day nurseries were found. (CPRS, 1978, p.51; Welsh Office, 1979)

In view of the cost factor, the rise of private and voluntary day nurseries had been halted in the 1970s because in that era of slow growth and inflation, cost could not be kept down and 'many parents are not able to meet higher fee' (CPRS, *ibid.*). Particularly due to this cost factor, there were fewer voluntary sector day nurseries, and many of them like Barnadoes and the National Children's Home had to rely on government subsidy. However, not many of them could have the government aid, for example, in 1985 only 1,567 private and voluntary day nursery places were subsidized by local authorities (DHSS, 1985a). Even between 1985 and 1988 there was a sharp increase of private and voluntary day nursery places, their percentage to the under-five population remained very small.

The cost factor also had its impact on the use of childcare providers for different under-five age groups. As private and voluntary agencies tended to receive children over two years old because the government regulation for provision of under-two had been more strict, requiring higher staffing ratio and higher subsequent costs. Consequently, there had been only one probable source for working mothers to place their under-twos and that was childminding. In this light, childminding had become a popu-

lar choice, however there was little evidence of concern from the government on this form of private practice. Based on this analysis, it is inferred that the government had a vested interest in the sub-standard nature of non-statutory childcare provision. Because by stricter regulation it was afraid, for instance, that 'unnecessary high standards would inevitably discourage factory owners from providing nurseries and minders from continuing to look after children' (Ministry of Health Circular, 143/48). Local authorities were 'likely to register anyone who was minding, rather than drive them underground' (Mayall and Petrie, 1983, p.24). Hence, it was not surprising to see that the lack of regulation had led to malpractice especially childminding was fundamentally an isolated and non-trained practice.

Prosecution for illegal minding had also been virtually unknown (Mayall and Petrie, 1983; Jackson and Jackson, 1979,p.30) and it was equally impossible to estimate the size of this illegal practice. For example in 1975, a MP from Rother Valley estimated 1.25 million children in the care of 300,000 childminders (Hansard, 1974/75). In contrast, the official figure of registered childminders and children minded in the same year was only respectively at 30,000 childminders for 64,000 children. Disregarding its sub-standard nature and the lack of regulation enforcement, the government had persistently advocated childminding as a form of maternal care substitute at low cost (Ministry of Health Circular, 37/68; DHSS & DES, 1976, pp.2-3).

Even if nursery education had been included as a form of childcare though it was supposedly not intended for working mothers, the composition in the welfare mix would still have been

predominated by non-statutory sectors. For instance, in 1959, based on calculation of figures in Table 4.2, 92.6 per cent of under-fives in England and Wales did not take attendance of any type; whereas in 1972, the non-attendance rate was 80 per cent and it had dropped to 62 per cent in 1985, and 60.0 in 1988. The decrease in non-attendance rates over the three decades under study had not been affected by the change in women's right to employment, but it was mainly due to the increase in part-time nursery places. Nursery education assumed that mothers of under-fives were non-working. Besides, the decrease in the non-attendance rates had also been partly contributed by the expansion of playgroups which, like nursery education, also assumed that the mothers of under-fives were non-working housewives.

Usually a playgroup only took children aged between three and four for two or three hours each session, and one to five sessions a week (Hughes, *et al.*, 1980 p.93; CPRS, 1978, p.56). They had not been set up to cater for the needs of working mothers (Crowe, 1983; Finch, 1983). The first playgroup was started in 1961 (Crowe, 1983) and it had been expanded rapidly to fill up the vacuum left by the insufficient government nursery schools and classes. In 1972, 7.3 per cent of the under-fives in England and Wales went to playgroups and the figure rose to 13.0 per cent in 1980 and 13.8 per cent in 1988 respectively (Table 4.2).

To conclude, the reluctance of governments-in-power to provide day nurseries for children of working mothers had produced a welfare mix dominated by the non-statutory sectors. Working mothers of under-fives had relied mainly upon childminding as the principal source of care if they would have wanted to

work, or by arrangements amongst family members and kin in the informal sector.

## Welfare Production

With the minimalist approach of the state to its own role in child daycare policy, British governments-in-power in the period under study had seen the production of welfare as a non-statutory responsibility. This policy was defined by its ideological assumption of a patriarchal family that the main role of married women should be at home in taking care of their children. Except under certain criteria, especially in those cases where families had failed to provide adequate care to their children, for which there were clear grounds for government intervention. Henceforth, a minimum input of resources to child daycare was expected and desirable, and the criteria of selectivity had been left to the discretion of the professionals, as well as much of the decisions on child daycare organisations.

As a result, the government had encouraged the non-statutory sectors in the production of child daycare and their likely substitutes in nursery education. It had been clear that non-statutory provision would minimize the pressure on the state sector. In this light, childminding had been advocated as the suitable substitute care to a normal home, because it would be able to 'offer a more suitable form of care than large day nursery' (Ministry of Health Circular, 37/68). Together with playgroups, they were advocated by the Ministry of Health of the last Labour government (1974-79) as 'the low cost best practice which

already exists, proven and documented on the ground' (Owen, 1976, p.1).

The government's emphasis on the contribution of non-statutory provisions especially the parts played by childminding and playgroups could have many advantages. In the first place, the government at least did not have to bear any significant cost. In the second place, childminding and playgroups had different social principles between users and providers that did not confirm any social right to welfare. Hence, these non-statutory forms of production of welfare had not reproduced any sector's ideology which would have challenged the minimalist role of the government.

Thus, it can be inferred that the government's production of welfare had not been confined to the minimal transaction of childcare services, but it also resulted in the reproduction of social relations of the non-statutory sectors and the production of social relations of a wider context : childminding and playgroups indirectly supported sexual inequalities.

On the part of the statutory provision, selectivity in distributing day nursery places obscured the social right principle between the state sector and its users. The statutory production of welfare in child daycare services in this study did not reproduce a clear concept of social right because eligibility to service was based on users' socially deprived status, not on their citizenship.

In examining the relationship between ideology and organisational structure, as it was known that the statutory production of welfare had been delegated to local authorities social serv-

ices departments, therefore the central government did not provide. This might explain the lack of the central government policy in organisational structure for child daycare services. Moreover, the central government might have assumed that structures of welfare organisation was a matter of professional autonomy, so it would had better left it to local authorities for decisions. In other words, this examination of the issue has yet to take the local government of Sheffield into account.

Based on this decentralisation policy, the relationship between the British government ideology and its organisational structures in child daycare production cannot be revealed in this national policy analysis. However, in terms of financial and regulation dimensions, the central government had still retained a centralised role in defining the boundary of local authorities' commitment to child daycare production. Decisions on finance and regulation were made centrally; however, decisions on production had been left to the discretion of local authorities. Under such circumstances, there would likely be a variance in organisational structures amongst local authorities or within individual local authorities.

## Part 2

### THE BRITISH LOCAL GOVERNMENT - SHEFFIELD

#### Social Values of Sheffield City Council

The Sheffield City Council had been controlled by Labour since the 1926 General Strike with the exception only of two years. The Sheffield District Labour Party, as a local branch of the national party, had a similar set of social values as its national party; however, this did not exclude it from developing its own unique ideas according to different situations. Before the 1970s, inside the Labour Party there was one view which suggested that socialism should presuppose a strong central political state and local governments could all too easily sustain pockets of reactionary resistance (Crouch, 1977, p.4). Contrary to this view was another school of thought that emphasized the virtues of small scale democracy of the local community in socialism (Luard, 1979). The latter view had been in ascendance with the emergence of the welfare 'crisis' in the 1970s. This view saw the adoption of the centralised approach as producing a paternalistic government bureaucracy that was monolithic and unresponsive to local needs (Crouch, 1977). It was argued that users of welfare had 'experienced the state as a remote form of bureaucratic repression rather than an agent of liberation working in their behalf' (Bassett, 1984, p.96). Since then there had

been a revival of the belief in local democracy of which the values of community and participatory democracy were emphasised.

Since the 1970s, Sheffield had been regarded as a stronghold of 'municipal socialism' in its experiment of local democracy and socialist local state (Green, 1987). In 1981, two political officers were recruited by the City Council in the objective to relate its municipal services to socialist values (Alcock and Lee, 1981). In an interview with one of them, Geoff Green revealed that the leadership under Blunkett in the period 1981-85 was significant in Sheffield's experiment of municipal socialism. In 1981, Sheffield District Labour Party had begun to set up working groups to draft its annual manifestos as policy documents to relate its socialist values and the Council's municipal services. Underlying these manifestos, there was a strong belief in participatory democracy and equality (Sheffield District Labour Party, 1982-87). The traditional paternalism that had dominated Labour in Sheffield until the late 1970s was rejected as the root of the remote and monolithic bureaucratic 'welfare state'. Thus, collectivism had been redefined as providing services 'with' the people and not 'for' the people. This was regarded as the direction of building up popular support for municipal socialism and as a prefiguration of socialism for a better society (Blunkett and Green, 1983).

Providing services 'with' the people meant that services would be accountable to the user. In this sense, users were regarded as partners in equal status with the providers. In other words, 'local government has a vital part to play in persuading people to relate local experience in workplaces and communities

to a broader advance to a better society' (Green, 1987). Thus municipal socialism had been regarded as part of a wider socialist advance and local government was no longer as merely the transmission belt of the national party or central government. This meant that municipal socialism was to prefigure a future socialist society.

In other words, collectivism had been emphasized with the virtue of the community in which individuals should be equal regardless of their social status, wealth, sex and race. In this egalitarian community, there should be no distinction between the waged and the non-waged earners. Individuals' access to welfare had not been related to their earning ability or possession of wealth; thus, the role of non-waged earners, i.e. women, users, children would have been recognised in this shift of emphasis on social values. However, due to the limited resources available at the local government level, the Sheffield District Labour Party could only limit its role to those most needy as a measure of positive action to economic and social inequalities.

On the basis of the above discussion, there was a discrepancy between the social values of Sheffield's Labour Party and the policy it chose as a lower-tier government. For instance, a Labour councilor revealed that the 'repressive' legislation by the Conservative central government, for example, the poll tax, the sale of council housing and the 'rate-capping', had a devastating effect on the morale of the local Labour group.

To conclude, the above brief discussion was something of a sweeping generalisation because there were different views amongst members of the local Labour Party; nevertheless, on the

basis of its policy statements, the Sheffield District Labour Party seemed to believe in a set of social values which was similar to Fabian socialism especially its community socialist strand. However, it had been constrained by the central government of the opposite party and put its labourism in a social democratic framework.

### **The Role of the Local Government**

In 1944, there were eleven day nurseries in Sheffield. The national policy of the closure of wartime day nurseries had affected Sheffield and by 1954, the number of day nurseries had been dropped to eight. There was a further drop to half of that number to four in 1964 (Working Group on Daytime Childcare, 1986). Seemingly, the local government of Sheffield had followed the national policy of adopting a minimalist government role.

It was not until 1983, that the Sheffield District Labour Party stated in its manifesto a promise to seek 'in the long term' to make provision for all pre-school children whose parents wish it (Sheffield District Labour Party, 1983). In that manifesto, it had argued that a comprehensive provision for the under-fives was essential if Labour would have established equality of opportunities for all especially women. In this light, childcare had been regarded as an integral part of Labour's attempt to establish a socialist social policy.

As the right to gain access to childcare was accepted by Sheffield's Labour Party; subsequently, the role the government occupied in child daycare was changed to an interventionist one

in the pursuit of equal opportunity for women and the disadvantaged children. In one of its policy preparatory documents, it said (Sheffield District Labour Party, 1982a),

Provisions for underfives must be seen also as a central element of a policy to eliminate disadvantage...

Women are particularly disadvantaged by the lack of appropriate, flexible and accessible child care, since they continue to be expected to take the major responsibility for the care of their young children.

Sheffield's Labour party saw a connection between the lack of child daycare provision and the disadvantageous position of women in family and employment. For example, it said,

Existing patterns of childcare and employment also intensify the divide between women's and men's roles in the family. By making it difficult for women to work, or forcing them into low paid jobs...(Sheffield District Labour Party, 1982a).

However, the policy of comprehensive childcare services for under-fives could not be carried out because the local governments in Britain had to rely on their national government for funding. The role adopted by the Sheffield Labour Party was clearly in contrast with the national government which had been controlled by the Conservative Party in this particular period. So, the Working Group on Daytime Childcare of the City Council proposed in 1986 was more a strategy of administrative re-organisation than taking any real concrete step in the implementation of its 'long term' policy. The constraints on local government were taken seriously as the Working Group stated it clearly (Working Group on Daytime Childcare, 1986),

Any future policy in Sheffield is dependent to some extent on what happens at a national level. We would hope, therefore, to be able to influence national policy because of the constraining effect this could have or could continue to place on the implementation of the recommendations for a

policy for Sheffield.

Certainly, Sheffield's chances of influencing the national policy of the opposite party were slim. On the contrary, the City Council had been rate-capped by the hostile Conservative government twice in three financial years between 1985/86 to 1987/88 (Family and Community Services Department, 1987). This meant that the City Council controlled by Labour had less revenue income from rates because of the statutory constraint imposed by a hostile central government of a different ideology. For instance, in 1987, the leader of the Council, Clive Betts, had said,

The reality is that we are practising socialism in a cold climate and the Government is promising us that it will get colder still (Family and Community Services Department, 1987).

From the above policy discussion, it is inferred that the local Labour Party had seen the need of an interventionist role in childcare policy that would have departed substantially from the last Labour central government as well as the central government of the opposite party of its time. However, it had been constrained financially and legislatively by the central government because they belonged to different ideological camps.

Despite the above analysis, it was suggested that not all members of the Labour group in Sheffield had wholeheartedly supported the expansion of daycare for the under-fives and its underlying philosophy. This was revealed by a female councilor and was echoed amongst her female colleagues. She said that the traditional belief that mothers should be at home was in operation. Although there had not been such a view documented officially, according to Geoff Green, the significant difference in

staff strength between the Council's race unit (20 staff) and women's unit (5 staff) might provide some tentative evidence.

Nevertheless, it has been difficult to examine the relationship between ideology and policy choice and outcome in the local government level because any opposition to child daycare provision could disguise their ideological bias behind the limited resource restraints. Even if local government like Sheffield had been willing to give its ideological approval, it would have not been able to implement for the lack of resources.

### **The Policy of Distribution**

The minimal role of the government at the national level had produced a stigmatised day nursery service for children from deprived groups. Sheffield could not be exempted from the effect of this national policy and its selectivist approach of provision. In 1986, out of the 29.6 thousand under-five population of the city, there were only 352 day nursery places. On the contrary, there were 4,827 places in nursery schools and classes (Table 4.3). This selective policy for day nursery places was that it mainly admitted children from single-parent families and children without adequate parental care. Nevertheless, contrary to the national policy, working mothers from low-income families also got priority for their children at day nurseries. However, due to the limited places available, there had not been enough places to cater for the demand. For example, in 1986, there was a waiting list of 275, a percentage of near 80 of the available places of that year (that was 352 - Table 4.3).

**Table 4.3 The Provision and Percentage of Under-fives Attending Different Types of Childcare and Education Institutions in Sheffield**

Year	1975	1977	1979	1981	1983	1985	1986	1989
Population (thousands)	33.1	28.0	28.0	28.3	28.7	29.3	29.6	31.5
Childminding children	166	372	640	631	938	1278	1573	2455
percentage	0.5	1.3	2.3	2.2	3.3	4.4	5.3	7.8
Local Authority Day Nurseries places	275	251	345	372	372	352	352	342
percentage	0.8	0.9	1.2	1.3	1.3	1.2	1.2	1.1
Private & Voluntary Day Nurseries places	Nil	Nil	36	72	36	36	92	82
percentage			0.1	0.3	0.1	0.1	0.3	0.3
Playgroups children	3287	3508	3461	3105	2200	3386	3518	3457
percentage	9.9	12.5	12.4	10.8	7.7	11.6	11.8	11.0
Nursery Schools & Classes children	2639	3208	3364	3878	4404	4753	4827	4937
percentage	8.0	11.4	12.0	13.7	15.3	16.2	17.4	15.7
Non-Attendance %	81.1	73.9	71.8	71.7	72.4	66.6	64.0	64.1

Sources: Sheffield Family and and Community Services Department, Unpublished data on day nurseries; Sheffield Central Policy Unit, *City of Sheffield Education Statistics, 1976-86*; South Yorkshire County Council, *South Yorkshire Statistics, 1976-87*.

Even if Sheffield's City Council had recognised, in principle, the right of women to employment and their children to child daycare provision, it would have been constrained by its limited financial resources. Therefore, in reality, a universal-

ist approach to service was out of the question. One remedy to minimise the social stigma attached to day nurseries was the use of the central government's urban programme fund to establish joint centre which combined care and education in one place.

This strategy was based on the consideration that nursery school could be free from social stigmatisation because it received students from a wider social background. In 1988, there were two such projects in Sheffield and there had been a plan for a third one in a near future. With the experiment of joint centres in mind, the responsible working group on childcare concluded in its report - 'It Is Their Future' that the future strategy of childcare was to offer a unified service under the administration of the Education Department (Working Group on Daytime Childcare, 1986).

This strategy seemed to have been effective, for instance, a staff member of one joint centre agreed that the admission of children from 'ordinary' families would have helped to neutralise the stigma attached to day nurseries. Thus, it was not the nature of the service that had been stigmatised but it was the social background of the children.

The proposal for joint centres was regarded as a remedy to minimize the social effect of the selective service; needless to say, it was not a total solution. For example, the Chief Education Officer of the city registered his reservation to the Working Group that,

It cannot be a total solution because so long as resources are scarce inevitably access to them must be based on need and this problem cannot be entirely overcome by relabeling of the provision ..., it is a matter of concern that a proposal to change the management structure would be a serious distraction from the real issues of the moment

(Working Group of Daytime Childcare, 19-10-1984).

In concluding this section, it is inferred that, given the limited resources available, selectivity would be inevitable despite the ideology of the provider. Joint centres were but a middle ground between nursery schools and day nurseries in the social construction of labels attached to various childcare institutions (Ferri, *et al.*, 1981). The limit imposed by the national policy was obviously felt and could hardly be shrugged off even the local government concerned believed in a universal approach to social services.

### Welfare Mix

There had been a dramatic rise in children being placed with childminders from 166 in 1975 to 2,455 in 1989 (Table 4.3), an increase of nearly fifteen times. This drastic increase was in great contrast with the stable numbers of day nursery places provided by the City Council in the same period which had been around 350 places since 1979. It was clear that the unmet demand for day nursery places had gone to the only non-statutory service that provided full day and full year childcare: childminding. Unsurprisingly, childminding was an attractive alternative for local authorities like Sheffield to meet the demand for full-day childcare at the lowest possible cost. Its expenses on childcare could be used to illustrate this point. For instance, in the financial year of 1986/87, 1,285,000 pounds were spent by the Sheffield City Council as concurrent expenses for the 352 day nursery places, or at 3,652 pounds each; whereas its expenses for

childminding subsidy was only 18,000 pounds, or an average of 11.4 pounds for each child minded (Sheffield City Council, 1987a). Clearly, low cost should have played a significant part in shaping the outcome of Sheffield's welfare mix.

As day nurseries were a costly provision this seemed to have an impact on the number of private and voluntary day nurseries in Sheffield. In 1986, only three private and voluntary day nurseries were in operation which provided a total of 92 places (Table 4.3). Of the three, two were workplace day nurseries, one was with the only university in Sheffield and another one was with a public hospital. Even though the university day nursery had offered a few places to the public, it was closed during the long summer holiday; whereas the hospital workplace day nursery only served its own staff. The low number of private and voluntary day nurseries in the city might be explained by their high running cost and the comparatively low paid labour force of the region. To illustrate this, the manager of the hospital day nursery even conceded that the relatively high fee might discourage hospital staff in lower ranks from using their childcare service.

In the provision of nursery school places, there was a steady increase of part-time nursery classes in the period under study. As a result, its non-statutory substitute, the playgroups, did not see any increase. Thus, playgroups in Sheffield had been affected by the increase of similar provision in the state sector and did not have any expansion beyond the number of 3,500 children (Table 4.3).

Generally speaking, the percentage of under-fives attending different types of childcare and education provision were similar

to the national trends except the provision of private and voluntary day nurseries. The lack of state provision had produced a welfare mix predominated by non-statutory sectors. When the government did intervene, for example in the provision of nursery classes, other welfare sectors would be affected. From the above discussion it is inferred that the composition of the welfare mix in the city had been largely determined by the policy of the state sector. In conclusion, the part played by the city's statutory services seems to have an impact mainly on the related non-statutory services.

### **Welfare Production**

Based on the above discussion it is clear that Sheffield had a record of minimum production of day nursery places. There had been less than 1.3 per cent of the under-five population at any one time in Sheffield between 1975 and 1986 in state provided day nurseries (Table 4.3). Selectivity was inevitable; thus, it also obscured the social right principle between the state sector and users. However, since 1979, Sheffield's City Council had abolished fees charged to day nursery users. Since then, families with children in day nurseries could enjoy free service as families with children in nursery schools. It was a token measure which had reflected the City Council's change to a more positive attitude towards day nursery provision although the canceled fees were not in proportion to the actual operating costs.

The City Council's policy towards playgroups and childminders might reveal its attitude towards the non-statutory produc-

tion of childcare services. A survey conducted by the City's Family and Community Services Department found that the level of playgroup provision in 1982 only represented 69 per cent of the national average (Simmons and Bennett, 1986, p.79). This below average provision might be partly due to the City Council's passive attitude : Sheffield's City Council had given little financial support to the city's playgroups, only 36 pence per under-five as compared to the 1.53 pound per under-five in an average metropolitan district council (Simmons and Bennett, 1986, p.80).

The departure from national policy and trends might be explained by the welfare ideology of the City Council. The same survey also found that playgroups were mainly used by middle class children and were located predominantly in the middle class areas (Simmons and Bennett, 1986, p.90). In contrast, there were twice the number in the use of nursery schools and classes in the 'working class' wards than in the 'middle class' wards (Simmons and Bennett, 1986, p.90) because the City council had a policy of positive action towards disadvantageous groups and areas. This contrast in the use of playgroups and nursery school provision seems to suggest that the City Council's ideology was related to its choice of childcare production. The middle class playgroups had not been preferred though they were low cost and were recommended by the national policy.

In the provision of childminding, a day carer scheme had started since 1984 in Mosborough (an outlying part of the city) where some childminders were paid by the City Council to take care of the under-threes in the carer's home. Due to the cost

factor, only 25 places were offered at one time. In doing so, the market principle between childminders and users had been transformed to incorporate social principle of the state sector. However, there was not a pure social right principle in this statutory childminding provision because access to child daycare still depended on some selective criteria. Nevertheless, the day carer scheme of the city revealed this local government's support to working mothers of the deprived groups. This scheme could be regarded as a positive measure towards their economic emancipation.

Sheffield's stance towards playgroups and childminding reflected its choice of the kind of social relation it preferred in the production of childcare services. In this light, it had clearly departed from the policy of the national Conservative government which was in favour of patriarchal social relations within the family.

In the following section, the experiment of municipal socialism in Sheffield is examined in relation to the city's policy towards the organisational structure of childcare organisations.

In the District Labour Party's 1983 manifesto it was suggested that community services would be decentralised into the communities they served. Devolution of responsibility was not confined to the decentralisation of the offices, but it meant that 'the location of power and responsibility also has to shift back to local communities' (Sheffield District Labour Party, 1983). These organisational strategies were aimed, as stated more explicitly in the Family and Community Services Department's (1986) policy statement as,

to rectify the inequality between service providers and users, shifting the balance towards greater confidence and participation amongst users.

It was also stated that,

Further decentralisation of services is planned along open records for clients, greater involvement in decision making and the development of management committees for services (Family and Community Services Department, 1986).

Deriving from these organisational strategies the Manor project was planned in 1984, of which the concepts of user's right to decision-making and equality between users and providers were based. Starting from the planning stage, this project had invited community participation through a series of community meetings. By the early 1988 some of the services began to operate including a day nursery unit. The Manor project was the first attempt of the City Council to incorporate users in the decision-making mechanism in running its services. Users sub-groups of various units of the project were established and over these sub-groups was a management committee which had a greater power and responsibility. Underlying these measures were the beliefs that users and providers should be on an equal position, and users should have the right to decision making at all levels. Nevertheless, the power and responsibility of these users groups had been confined within the general policy and financial regulations of the City Council. For example, when a users group refused an application from an Asian community group for the use of the community hall without any reasonable explanation, the project manager had to override its decision because the City Council had an anti-racist policy.

Apart from users' participation in decision-making, staff's

participation had also been emphasized in projects of the City Council. For example, in the visit to the Manor project, the junior staff (for example, the janitor) were considered as part of the team and were also invited to discussions with the researcher. They also had the representation to the various user sub-groups. Apparently, the gap between ranks was not visible. One indication of this was the way the staff addressed each other: they called each other by their first names. Apart from this, the researcher was told that decisions about services were made in those regularly held staff meetings. In sum, the authority relationship between staff in this project could be said on the face of it, at least, to be collegiate.

Variants in authority structure were found in the childcare projects visited in Sheffield. In the two other childcare projects visited in June 1988, users' involvement in decision-making was lacking even though users had been encouraged to participate in other activities. However it has to be noticed that with so few interviews the evidence is bound to be impressionistic.

In terms of administrative structure, these day nurseries were undoubtedly bureaucratically organised. Nevertheless, the frontline managers and their professional staff had considerable autonomy in their daily operations which were regarded as within the domain of professional judgment. The manager of one project even complained of the insufficient supervision and administrative guidelines from her superiors, so that she had to decide herself nearly all the matters ranging from staff supervision to finance report formats. In other project, the manager had been

satisfied with the autonomy she enjoyed. She illustrated this in the case of her free hand in the purchase of equipments and the fitting-out of the day nursery into a homely place. A further instance was the fact that a new nursery teacher in one centre had involved herself over a year in the design of integrating educational programmes effectively with childcare activities.

Based on the above evidence, innovations in services were not absent and it seems that the politicians in the town hall or the administrators at the top of the administrative hierarchy did not intervene in the actual operation of these frontline organisations. It is inferred that they had designed the broad organisational objectives that had confined the autonomy of bureau-professionals at the frontline. In other words, on the face of the interviews, these child daycare organisations of the state sector were given considerable bureau-professional autonomy.

In contrast, user participation was not an issue before the manager of the hospital nursery of the voluntary sector. The manager had thought that parents might not have time to get involved. Furthermore, this workplace nursery in the hospital did not have any staff meeting because the manager also thought that she was experienced enough to detect any problem before it had emerged. The organisational features identified in this workplace nursery were quite similar to those found by the Oxford Research Group in its study of day nurseries in Oxfordshire (Bruner, 1980). In that study workplace nurseries were found to have a more authoritarian relationship between staff and management.

The above discussion on daycare organisations operated by

the Sheffield City Council suggests that there could be a pluralist organisational structure in the state sector. Sheffield was experimenting with an egalitarian authority structure in its Manor project whilst the other organisations were fairly open to user involvement. There are grounds for assuming that user's rights were more likely to be respected under such an authority structure because equality between providers and users had been emphasised as a principle. As regards to daily operations, considerable autonomy was given to frontline professional staff. These child daycare organisations were far from rigid and could be suggested as on the less bureaucratic range in bureaucratic organisations. This Sheffield case example seems not to conform to the picture portrayed by welfare pluralist critics of the state sector, who see the state sector as being necessarily bureaucratic and monolithic. On the contrary, user and staff participation was not necessarily the case in the workplace nursery of the voluntary sector.

### **Empirical Indicators of Britain's Child Daycare Policy**

In the following table, the indicators of child daycare policy of Labour and Conservative in central governments and Sheffield's Labour local government have been summarised:

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**Table 4.4 Empirical Indicators of Britain's Child Daycare Policy**

Variables	Features of Indication
<b>National government</b>	
<i>Social Values of Government</i>	
<i>Pre-Thatcherite Conservative governments:</i>	
Inequality between individuals but the rich care for the poor. Authority and tradition were sustained by the welfare state.	
<i>Thatcherite Conservative government:</i>	
Inequality between individuals. Incorporates neo-liberal social values of individualism and self-reliance. Welfare as threatening to individual freedom. A strong government in building a framework for the market but negative in other areas.	
<i>Labour governments:</i>	
Labourism in a conservative framework perceived equality as between labour and capital, but not gender equality. Government action was aiming at achieving economic equality but not gender equality.	
<i>Government's Role</i>	
Minimalist roles in provision and finance, and permissive and passive in regulation disregarding party difference. Maternal deprivation thesis provided the rationale for Conservative to rationalise the patriarchal division within family; whereas the male-dominated trade-unions, and the lack of concern on gender issues had put Labour in not associating child daycare with its interventionist role. Government provision in nursery education was more interventionist; for Conservative regarded it essential to equip succeeding generation for the one-nation state whereas Labour saw the early start at preschool level compatible with its productionist approach.	
<i>The Policy of Distribution</i>	
Child daycare not as a social right; thus, social deprivation justified government action. Fee charging according to means-test in reflecting the lack of statutory responsibility for this selective service. Stigmatisation was the accompanying social condition.	

No marked difference between governing parties in this policy.

#### *Welfare Mix*

Government reluctant to provide and to finance voluntary sector, and the private formal sector was not active as well due to regulation induced high operating cost.

This policy resulted in a welfare mix predominated by childminders of the private sector and family and kin care of the informal sector for working mothers; whilst the insufficient statutory provision in nursery education activated an active playgroup movement of the voluntary sector as a substitute.

No marked difference between governing parties in this policy.

#### *Welfare Production*

Non-statutory production of child daycare did not reproduce any ideology which would challenge the government's minimalist role. Childminding and playgroups indirectly supported sexual inequality, and selectivity in day nurseries obscured social right principle between state sector provider and users.

Decentralisation of provision to local authorities, so examination of welfare organisational structures put to the sub-unit study.

#### *Sheffield Sub-unit*

##### *Social Values of Government*

Equal outcomes between sexes as positive freedom required material base to materialize.

Equality between users and providers also emphasized.

Government action required to rectify inequality.

##### *The Government's Role*

Intended to adopt an interventionist role in provision but was constrained by the central government of the opposite party, so, resulted in a minimalist role in practice.

##### *The Policy of Distribution*

Believed in universal provision.

But constrained by central government funding, it had to be based on social deprivation and low income as criteria; but working mothers got priority.

Attempted to minimise social stigmatisation on day nurseries by setting up joint centres and a mix of social classes.

#### *Welfare Mix*

The lack of government provision resulted in a welfare mix predominated by non-statutory provision except private and voluntary day nurseries because their high operating costs.

Increased in provision of half-day nursery school resulted in a small increase in playgroups.

The use of childminders of the private sector in a special scheme

to offer more choice for working mothers.

#### *Welfare Production*

Minimum provision of day nurseries.

Opposition to non-statutory social relations especially evident in the case of playgroups because of its middle class nature.

Social right of user for statutory provision was obscured by selectivity.

In favour of egalitarian organisational structure, but bureau-professional autonomy resulted in a variance of organisational structures in statutory day nurseries.

## Conclusions

### **(1) Placing Practising Ideologies in a Two-dimensional Framework on Child Daycare**

There had been a marked similarity between Labour and Conservative governments in their policy choices in relation to child daycare provisions even though they were based on different value assumptions. Maternal deprivation provided them with a professional and 'scientific' rationalisation to justify their policy choices. Underlying these policy choices were different conceptions of women's role in family and society.

It is inferred that the one-nation pre-Thatcherite conservatism saw women's role as a carer in a male-dominated family. In Thatcherite conservatism, women as child carers were not incompatible with its neo-liberal strand which stressed self-reliance and negative freedom from state action. In the study of the national Labour Party, its ideology of labourism tended to overlook gender equality issues because these were contradictory to its once patriarchal-orientated trade unionism. It can be said that the labourism of the national Labour Party was in a conservative framework. As the focal point of these national govern-

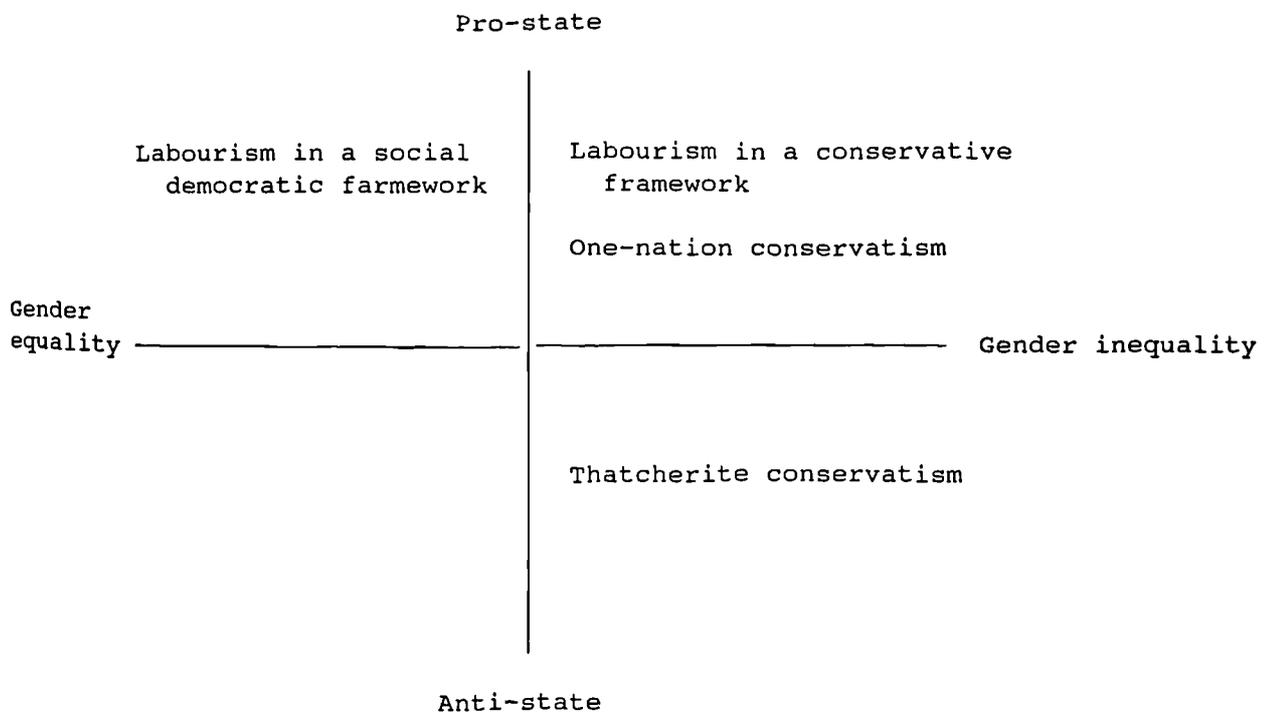
ments' ideologies was the neglect of women's rights, they had resulted in a marked similarity in the role of the government, the policy of distribution, welfare mix and welfare production.

Whereas in the study of the Sheffield sub-unit, the shift of labourism into the community socialist strand in Fabianism discharged some considerable ideas about socialist practice. This shift had been illustrated in the consequential changes, such as the adoption of a comprehensive child daycare policy, the discrimination against the 'middle class' playgroups and the experiment of participatory democracy in child daycare institutions. However, this local labourism had been constrained by the opposing party of the central government and can only be classified as labourism in a *social democratic* setting.

Their respective positions can be located on a two dimensional framework between pro-state and anti-state, gender equality and gender inequality (Figure 4.1). If child daycare provides a material base for women to realise their choice between work and family, it will be regarded as an indicator of gender equality. Thus, labourism within a conservative framework goes with the one-nation conservatism on the pro-state and gender inequality axes. Thatcherite conservatism is assigned into the anti-state and gender inequality axes. Their policy similarities in child daycare can be explained by their belonging to the same dimension of gender inequality. However, if there is social pressure, ideologies which are close to the pro-state axis will be more likely to concede. The post-war consensus on the welfare state explains the one-nation conservative case, whereas the lack of feminist challenge to the Labour Party explains the latter. The

fact that the upsurge of concern in child daycare in the late 1980s did not result in any significant concession from an ideology with anti-state and gender inequality social values illustrates the Thatcher government's case. The Labour Party in Sheffield, in a social democratic framework, is placed in the pro-state and gender equality axes because it had tried to minimise women's disadvantageous position regarding childcare arrangement.

**Figure 4.1 A Two-Dimensional Framework of Child Daycare**



**(2) Concluding Remarks on the Study Method**

One of the limitations of the study method in this chapter was the absence of the conservative mode of child daycare insti-

tutions; hence, the relationship between ideology and conservative organisational structures could not be examined.

Regarding the reliability of the data collection procedure, there is no question that the secondary data available in this study are also accessible to other researchers. As yet the data collected from the interviews may not be repeated because they were conducted within a given period of time within a specific social and political context. However, as these interviews are only one of the sources their reliability can be verified by secondary data.

On the basis of the limited scope of the interviews, the evidence is bound to be impressionistic. Thus they were only for illustrative purposes in the objective of supporting the analysis. Besides, as a researcher stationed in Hong Kong, I have encountered an immense difficulty of keeping the research data updated and being abreast of the recent development of social policies in Britain. It has also been particularly difficult for someone not immersed in British history and lived so short a time in Britain (between October, 1987 and August, 1988) to understand the complexity of Britain's politics and its welfare state debate.

## Chapter 5

### CASE STUDY 2 - HONG KONG'S CHILD DAYCARE POLICY

#### Introduction

This chapter examines the case study of pre-school daycare policy in Hong Kong. The analytical framework formulated in Chapter 2 is used to construct the practical policy of this case study and form the basis for comparison with the 'ideal' type welfare state theories which have been outlined in Chapter 3.

This study has relied on two major sources of data. The first is secondary data such as government reports and documents, agency documents, census statistics, newspaper cuttings and so on relevant to preschool daycare services of Hong Kong. The second source is interviews of relevant individuals responsible in decision-makings or people from concerned interest groups and staff in the operation of daycare services. Interviews were conducted by the researcher himself and a total of 13 interviews were conducted in the second half of 1989.<sup>1</sup>

This case study confines itself to the periods between the end of the World War II and the later part of 1980s as a comparative study of a similar period in the British case. As data  
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1. These included two day creches, four day nurseries, two government officers, three persons from organisations with interest in child daycare, one voluntary agency decision-maker and the chairwoman of the Hong Kong Branch of Pre-school Playgroup Association.

collection was mainly carried out in 1989, most published statistics did not go beyond 1989.<sup>1</sup> The study of welfare production is confined to the formal daycare institutions as informal care arrangements require little organisational structures.

## Social Values

Since 1840, Hong Kong has under a British colonial administration, it has a simple centralized political structure with the seemingly unchecked power vested in the Governor, who is advised by an appointed Executive Council. It was only until 1985 indirect elections were introduced into the law-enacting chamber - the Legislative Council (Hong Kong Government, 1984). And in 1991, 18 of the 60 legislative councillors were directly elected. Nevertheless, Hong Kong is still governed by a colonial political system which is supposed to operate until 1997, the study of the government-in-power means the study of the British colonial administration.

There had been no explicit policy on welfare until the Government published a White Paper on social welfare in 1965. The period before was shaped by 'a policy of benign neglect' hiding behind 'a terminology of stimulating self-help' (Hodge, 1981). The reason underlying this policy was the sudden influx of refugees from China which was beyond the government's control throughout the immediate post-war period. For example, from the

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1. As the latest by-census was carried out in 1986, so some tables of statistics did not include figures beyond that year.

end of World War II in 1945 to 1951, the population of Hong Kong had grown from a half million to 2 millions due to the massive influx of Chinese refugees (Chow, 1987a, p.25; Ho, 1980), 1961 recorded another influx due to the famine in China. Voluntary efforts had been encouraged by the government. Most of the voluntary agencies in relief work at that time were religious bodies with international affiliations. As the voluntary sector was the main provider and it had relied on its own resources, so this period was regarded as the 'Golden Decade' in the development of voluntary provision in Hong Kong (Webb, 1977). Conversely, this was also the period marked the failure of the government to respond actively under the 'benign neglect' policy. The outstanding exception was the efforts to resettle over 50,000 fire victims of the Shek Kip Mei squatter fire in 1953 (Hong Kong Government, 1987, para. 3; Ho, 1980), yet such a response was reactive in nature under an emergency situation. For instance, it was until the early 1972, the government had a long-term housing policy of building public housing for 1.8 million people.

When the government realized that the refugees were here to stay and 'long-term' policies on welfare should be formulated, the White Paper - *Aims and Policy for Social Welfare in Hong Kong* (1965) was published. This 1965 White Paper reflected the ideological assumptions of the government about welfare. It stressed clearly that welfare should be regarded 'as personal matters which at least in theory ought to be dealt with by the family (if necessary the "extended family")' (Hong Kong Government, 1965, pp.4-7). However, as there were many families which encountered great practical difficulties in this traditional 'self-help' as

well as many unattached individuals, it was necessary for the government to intervene and provide individuals and families a 'minimum level of existence' (Hong Kong Government, 1965, *ibid.*).

Recent developments in the mid 1980s also confirmed the above assumption that state welfare is only to provide for 'a minimum level of existence'. For example, the double rental charges on 'rich tenants' which had begun in 1987 (Hong Kong Housing Authority, 1986) revealed this underlying assumption : that rental public housing should be reserved for those either means-tested applicants or residents on other compensatory criteria; thus, for those existing tenants with an income exceeding a *certain minimum* should be charged a double rent in order to ensure 'housing subsidy is in relation to its need' (Hong Kong Government, 1987).

Behind these statements is also a belief that 'social services are a charitable, non-productive burden borne on the back of the productive institutions of the economy' (Hodge, 1981, p.18). A strong sense of economic predominance over social policy was presented by the government over the years as a justification for its residual approach towards welfare and of not having a 'comprehensive services' for Hong Kong. As the 1965 White Paper had pointed out this a quarter century ago on social security benefits,

the introduction of any further elements in a social security programme would require very careful consideration of the potential effects on the economy (Hong Kong Government, 1965, p.7).

Thus, the provision of welfare should be

to make provision for minimum public assistance consisting of shelter, clothing and food, i.e. providing for those of

its population who are demonstrably unable to fend for themselves (Hong Kong Government, 1965, p.8).

Thus it seems that the stress on family and voluntary action had been a convenient excuse to avoid government welfare action which was believed to have detrimental effects on the economy. Hence, it was not the belief of the Chinese tradition and family that influenced the policy development; conversely, this belief was used to camouflage the dominance of economic laissez-faire policy over welfare.

The dependence of social policy upon economic development was at a time, when Sir Murray MacLehose (1973-1982) was Governor, not emphasized overwhelmingly. Social goals seemed to have a place in the policy thinking at that period (Hodge, 1981). For example, the then governor spoke in 1976 on the subject of 'Community Building' to the Legislative Council:

our aim must be to build a society... in which there is mutual care and responsibility. Our social programmes are of course relevant because people will not care for a society which does not care for them. (MacLehose, 1976)

Four years after MacLehose's governance universal free provision of nine-year education was attained in 1977. Also an ambitious ten year housing plan for 1.8 million people was set as a goal to be achieved in the early 1980s, as well as the expansion of various social welfare programmes. As yet the underlying assumptions about these welfare provisions did not change. MacLehose (1975) himself stated clearly the predominant importance of a growing economy upon social development, he said,

this comparative freedom (from Government controls of the economy) is one of the factors which retain and attract the investment on which employment and revenue depend. But the complement of this approach is the provision of a net of

legislation and social services to prevent exploitation or abuse, and to catch and maintain the unfortunates who for reasons outside their control cannot otherwise maintain themselves.

It is clear that MacLehose's government continued the welfare philosophy of its predecessors, but with a more human face. The government had no intention to use social services as a means to alleviate social inequalities. As stated by MacLehose's Financial Secretary :

The plain fact is that a fiscal system which is pitched as low as possible so as to minimize its impact on the supply of human effort and investment decisions cannot afford to finance costly overheads. For this reasons, in a low tax environment, not only is the pursuit of equity... for its own sake unnecessary; it is also not possible. (Hadden-Cave, 1976, p.19)

Thus, the equitable approach towards welfare had been rejected and social security payments were regarded as 'a major factor in income redistribution, since it benefits mainly the non-tax paying lower income groups' (SWD, 1977). In this regard, a safety net measurement to alleviate absolute poverty had been interpreted as a positive action of government towards income redistribution. However, despite the fact that between 1971 and 1981, a period in which Hong Kong had been experiencing rapid economic growth and significant increase in social welfare and social security spending, the Gini Coefficient fell from 0.44 to 0.48<sup>1</sup> (Chau, 1984, p.32) indicating a worsening of income distribution.

It is inferred that the underlying welfare assumption of the

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1. Gini Coefficient is a measurement of income equality (1 = absolute inequality).

Hong Kong government was the belief of the 'redistribution through growth' thesis. Welfare had been regarded as residual, it should only provide a minimum standard for the alleviation of the destitute. In this case, the expansion of social services since the early 1970s had been fueled by the corresponding economic growth; which meant that when the economy slowed down, social spending would have to be reduced. Planning with regard to social workers was a vivid case in point:

In 1983, the government froze the welfare services development under its contracting finances and the policy led to redundant social workers. In 1988, Hong Kong's financial position was favourable, however, due to the lack of manpower planning, there was insufficient social workers. (Tam, 1989)

It is reasonable to conclude from the above analysis that the welfare assumptions of the Hong Kong government reflects neo-liberal thinking. Its basic tenets are to generate economic growth and to keep government intervention to a minimum. The market was praised as it could keep the government expenditure at a low level and 'form a rational basis for social growth' (Chiu, 1988). However, it had not stated philosophically that the lack of government action was for the sake of negative freedom. Nevertheless, it is clear that state welfare had not been used as a means to alleviate social inequalities or to help people to realise positive freedom.

It may also be the case that the Hong Kong government had opted for the conservative set of welfare assumptions and values because the preservation of the family would have been emphasized. However, it is more likely that its orientation towards family integration had been taken as an excuse for less welfare

action. Besides, as the society of Hong Kong has fluctuated and changed rapidly, it lacks the basic conditions for conservatism (Lau, 1985). It can be further argued that the MacLehose era was a period influenced by reluctant statism; however, as yet in this period social goals had still been subsumed under the economic policy. Besides, the basic characteristic of reluctant statism in welfare is its high regard of welfare as a positive strategy to regulate the market especially to ensure full employment (George and Wilding, 1985, pp.57-62), and yet it was not seen even in the MacLehose era.

### **The Role of the Government**

The policy of the Hong Kong government on preschool daycare had been consistent throughout the period under study except for some variation in emphasis. Pre-school daycare had been regarded as a family responsibility except in circumstances where the family could not help itself or for those unattached individuals (in this case, the orphans).

In the first one and half decades after the Second World War, the primary concern of the government was to look after a huge number of abandoned babies. One of the reasons accounting for this phenomenon was that 'many working mothers who are unable to care for a baby as well as earn enough to live alive' (Social Welfare Officer, 1954, Paragraph 15). Responding to this social phenomenon, the government also regretted that,

throughout the whole period [1948-54]... it was Hong Kong's misfortune that there was no voluntary organisation which devoted itself primarily to the care and protection of children not sheltered in an orphanage (Social Welfare

Officer, 1954).

Two assumptions are clear: first, the Hong Kong government saw a need for the provision of non-institutional child daycare; and second, that the provision should be taken up by voluntary effort. The government had regarded itself as being free from responsibility but indicated its concern about this rising problem. However, it took only a few years for the abandoned babies to become less important. For instance, in the early 1960s, some orphanages were converted to day nurseries (SWD, 1961/62). In this light, the most 'extensive need' in the field of child welfare had changed from abandoned children to daycare for below school age children whose mothers were working (SWD, 1962/63).

In 1962, a massive project was initiated with the aid of United Nations International Children's Emergency Fund (UNICEF) to convert institutional childcare premises to daycare centres and to equip new centres. Sixty-two daycare centres were equipped by the UNICEF fund when the project ended in 1967. With the aid of United Nations, the government was able to succeed in 'a shift of emphasis from ... residential to day care' (SWD, 1962-63, para.29) whilst the provider was still the voluntary organizations. In terms of child daycare places, a tremendous increase was recorded from 1,281 full day places in 1960/61 to 6,497 in 1965/66 (Table 5.1).

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Table 5.1 Insert Here (The Following Page)

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**Table 5.1 Child Day Care Places for Under-sixes in Hong Kong**

Year	Day Creches	Full Day Nursery	Half Day Nursery	Mixed Centre
1958/59		1,280 (no differentiation between types)		
1960/61	162 (1766 <sup>a</sup> )	1,281	930 <sup>b</sup>	-
1965/66	196 (420 <sup>a</sup> )	6,497	6,206 <sup>b</sup>	-
1972	758	7,227	3,120 <sup>b</sup>	-
1976/77	783	10,946	756	-
1979/80	913	11,104	2,691	248
1982/83	936	14,636	4,857	270
1985/86	1,061	18,448	5,506	232
1987/88	981	20,510	6,309	312
1989/90	1,021	23,559	6,496	240

**Sources:** Director of Social Welfare, *Annual Departmental Report*, various issues; Social Welfare Department, *1973 Five Year Plan for Social Welfare Development in Hong Kong- 1973-1978*, Hong Kong: Government Printer; Census and Statistics Department, 1988 and 1990 *Hong Kong Digest of Statistics*, Hong Kong: Government Printer.

**Notes:** a. These are the number of visits to infant welfare centres in the SWD report, but according to the operator of this service - The Hong Kong Society for the Protection of Children, these centres were not day creches. They were centres for mothers to bring their babies for medical checks and get some relief items, ie. milk powder.

b. On and before 1975, these were play centres which were in fact providing tutorial and study facilities. As for this kind of service, no government subsidy was given (SWD, FYP, 1975).

Since the financial year 1965/66, voluntary agencies had begun to receive subvention from the government for operating day nurseries (SWD, 1965/66, p.21). This subvention system was a tripartite scheme which demanded the government, the voluntary agencies and the parent to share the costs (Gidden, 1977). When

the Social Welfare Department (SWD) of the government had begun to plan social welfare services annually on a five yearly basis in 1973, a planning ratio of 1,000 places per year (equivalent to 10 day nurseries or creches each with a hundred places) was adopted (SWD, 1973).

In 1982, the subvention to voluntary sector day nurseries was changed to fee assistance directly to parents on the recommendation of the White Paper on 'Primary Education and Pre-Primary services' (Hong Kong Government, 1981, p.23). Since then the voluntary sector operators had only received 5% of the approved fee for the subsidy to the enrollment fluctuation and they could also apply for capital and renovation expenses as well as the reimbursement of rent and rates.

The shift from subvention to fee assistance in 1982 for day nurseries was propelled by rising demand as well as financial consideration on the part of the government. As the need for childcare was not confined to families with social problem or from poor families. Apart from these families, there were only a few who could afford private daycare arrangements. Therefore, some of them enrolled their children into daycare centres of the voluntary sector. This had alerted the government. As it was not the provider, it could not be sure whether the voluntary sector operators had observed the strict means-tested admission criteria (Sweetman, 1976). Therefore, in 1978 SWD conducted a survey and found that only 69% of the children of the voluntary sector daycare centres were in fact eligible at the time of their admission (Hong Kong Government, 1981, p.69).

Beside financial considerations, according to a SWD planning

officer, three other factors accounted for this change in the financing policy of the government on day nurseries :

1. At that time, day nurseries were regarded positively as a substitute and were complementary to the inadequate home care;
2. Social mixing was thought to be beneficial to children from different social backgrounds;  
(cf. Hong Kong Government, *Government's Green Paper on Primary and Pre-Primary Services*, 1980, p.8)
3. There was a view that fee assistance would benefit the low income families because they would have not been excluded from preschool education and services if the government had planned to raise the staff/student ratio in nursery schools. The same argument was accepted in daycare services.

The change from subvention to fee assistance had allowed the intake of children from a wider socioeconomic background because voluntary sector operators could enrol children from families with income above the means-tested level. However, these families had to pay for their children the full operating cost. In this regard, the government allowed a larger intake whilst its financial commitment had remained at a minimum. Fundamentally the policy assumption remained the same : childcare was primarily a family responsibility. The government had only provided to those families who would have special social needs or who would have been eligible under the means-tested criteria.

Further strong evidence reflecting this stance of the government on preschool daycare was the freezing of day creche expansion in 1979. There had been no traceable record indicating the policy of the government on daycare for babies less than two  
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1. Interview : planning officer, Social Welfare Department, Hong Kong Government, August, 1989.

years old. It was until 1979 when SWD decided to freeze the development of day creches, the policy assumption was revealed (SWD,1980, pp.5-6). It was the strictly confidential Social Welfare Advisory Committee (SWAC)<sup>1</sup> which unveiled the underlying maternal deprivation assumption in day creche policy :

In the case of children below 2 years of age, it is considered that the provision of day creche facilities would have the undesirable effect of encouraging mothers to seek employment in the open market.... There are no over-riding reasons for a mother with a young baby to work. (SWAC, 13/79).

With this policy assumption, throughout the 1980s, the development of government subsidized day creche places had been frozen to less than one thousand (Table 5.1 : The figure in 1985/86 includes 144 private sector places), from 913 in 1979/80 to 981 in April, 1989 (SWAC, 5/89). And the only one non-profit-making centre which was opened after the 'frozen policy' was forced to close in 1989 after years of running deficit. It was because this centre could not obtain any direct financial subsidy from the government (for subsidized creches, the government paid for 65% of the cost whilst parents were charged for the remaining 35%).

In the late 1980s, Hong Kong had experienced an acute shortage of labour, coupled with the periodic reporting of child neglect incidents in the mass media (Legislative Council, 28/6/1989). Against this background the issue of providing child-care for working mothers had been revived and forced the govern-  
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1. SWAC is the official advisory committee with predominant unofficial representation on social welfare policies for the Hong Kong government.

ment to consider 'a more flexible policy' (SWAC, 5/89). Nevertheless, it still insisted that the basic assumption was correct. The government believed that

The primary responsibility for the care of these children of course still rests with their parents who are obliged to seek and pay for alternative care for their children, [but in view of the short supply] Government may have a role to play in assisting the development of such alternatives, particularly non-profit-making creches' (SWAC, 5/89).

The new policy underlying the alternative form of provision and financing day creches was modeled on the existing scheme of financing day nurseries of the voluntary sector.<sup>1</sup> As analysed in the above, this similar scheme might ensure a higher level of provision at a minimum cost to the government. In brief, it is clear that the minimalist role of the government in provision did not necessarily produce a minimal outcome.

It can be concluded that the government of Hong Kong provided only minimum financial support to the voluntary sector operators but it did not necessarily produce a minimal outcome. Because the government was interventionist in its regulatory role it could ensure that its providing and financial roles were kept to a minimal. For example, when it passed the Child Care Centres Ordinance in 1975, it had also lowered the qualifications required by childcare workers from secondary school graduate level to a lower grade. Thus, it could make sure that private sector operators could enter into the market whilst the pressure from the subvented voluntary sector for increasing government funding

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1. A proposal on Assistance Scheme for day creches had sent to voluntary agencies for comment in May, 1989 which was in line with the existing fee assistance scheme for day nurseries.

could be kept at a lower level. This section illustrates the multi-faceted nature of the role of government.

### **The Policy of Distribution**

In 1965, the government began to subsidize voluntary sector operators 'in limited cases' (SWD, 1966/67, p.21). No specific criteria on admission had been spelled out until April 1967 when SWD adopted for the first time 'a code of practice for the grant of Government Subvention... to ensure that the facilities of the nursery are available to those in greatest need' (SWD, 1966/67, p.24). The code gave no illustration on who were 'in greatest need', but it could be certain that the limited places available (196 full-day creche places and 6,497 full-day nursery places in 1965/66 - Table 5.1 as against the 150,000 registered female factory workers and 530,000 children in the two to seven age group - Baron, 1965) would guarantee the admission criteria were stringent enough to eliminate those were not in greatest need.

At the same time, there was a critique of child daycare services which argued that the service would encourage mothers to work and endanger the Chinese family tradition (Baron, 1965). Responding to this criticism, the voluntary sector operators were recommended by the government to observe more stringent admission criteria. Henceforth, being 'simply a mother working' was not a criterion for admission. In this regard, special social need such as failure of the family to care was taken as the distributive criterion by the voluntary sector.

Means-testing was another condition for admission to govern-

ment subsidized day nurseries. A survey, in 1969, of day nursery subvention found that some voluntary sector operators were dissatisfied with the low income admission criterion set by government for subsidized places (HKCSS, 1969). It revealed that 19 out of the 25 agencies surveyed complained that they could not take children from many needy families, 'which does not mean that they are well-off; but regulation forbids [the agencies] by taking in their children to enable them to work' (HKCSS, 1969, p.3).

When the government began the 'Five Years Planning' exercise in 1973, it assumed a restrictive role in distributing day nursery places. The plan saw its mission as :

To provide day care centres of an approved standard for children who cannot be cared for during the day by their parents where there is *social need* and where parents cannot *afford to pay commercial fees* and to foster the physical, emotional and social development of these children (Hong Kong Government, 1973a, p.22, emphasis added).

With the assumption that childcare was the primary responsibility of the family, only those families that failed to provide adequate care for their children should be eligible for government programmes. Thus, childcare centres of the voluntary sector had admitted children from families at the bottom of the socio-economic hierarchy. This was particularly evident in day creches because of the limited number of them available.

As mentioned in the above section, the development of day creches had been frozen since 1979 (SWAC, 13/79). According to a SWD official, it was because

There was a lack of evidence that this kind of service was necessary because not many children admitted were from

families with income within the means-tested criterion.<sup>1</sup>

In other words the need for day creches was not there. However, this need was arbitrarily defined by the government. Long before the 'frozen policy' was implemented, operating agencies were urged to ensure a stricter application of the eligibility criteria to families with limited means (Sweetman, 1976). The government had set income criterion for subvented day creche and nursery places to be one and one third times above the Public Assistance level. A study in 1981 identified an income level between HK\$2,000-2,199 for a family of four to be on the verge of the poverty line (Chow, 1985). However, according to the admission criteria, a family with 6 members in 1980 from a public housing estate would have obtained a full subsidy of HK\$220 if its household income had been on the baseline of HK\$1,140 or below. Whereas at the highest end of the household income scale, a household income of \$2,191-2,240 could only attract a subsidy of five Hong Kong dollars from the government (Hong Kong Government, 1980, p.73). This simple illustration reveals that a harsh standard was set as an eligible criterion for the day creche subsidy. This also explained the lenience of the voluntary agencies in their enrolment procedures.

Even ten years after the freezing of day creche development, in my interview with those running a day creche, it was found that children from 'well-off' families had been admitted. It was because, even if all eligible cases had been enrolled, the vacancies would have not been fully filled. Further evidence was  
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1. Interview : planning officer, Social Welfare Department, Hong Kong Government, August, 1989.

provided by a survey conducted by the government on subvented day creches in 1986. This survey (SWD, 1986) found that 91.3% of the enrolled children were from families with a net family income higher than the one and one-third times Public Assistance income standard. It was also found that 75.5% of children on the waiting list were also from families with a net family income higher than the standard of eligibility.

Based on these strict criteria only a few were able to have a place in government subsidized creches. In other words, the need for day creche and day nursery places could be arbitrarily defined to fit the intended interpretation : there had not be sufficient demand for the services.

In the case of day nurseries, the change from directly subsidizing voluntary sector operators to fee assistance to users served other purposes. As one operator suggested, means-testing had become not only an admission criterion but it was also a condition for fee assistance. In this light, subsidized day nursery places had opened up to families from wider social backgrounds. For example, there were less than 20% of children from a day nursery in an industrial area who applied for fee assistance during the time of my interview (December, 1989). For the other three subsidized day nurseries interviewed between November and December 1989, around half of the children in these childcare centres had received subsidized fees from government. It is inferred that this revised distributive policy had allowed a wider social mix of children in day nurseries, however, this had also lowered the financial commitment of the government.

Undoubtedly subsidized day care centres had a high concen-

tration of children from lower social classes especially in day creches; however, stigmatization was not obvious. If the service had been stigmatized, it would have not been confined to subsidized services. The illustration of a private day creche might be supportive to this argument. This centre was located in a middle class private housing estate. It had only able to fill all of its capacity three years after its operation. The supervisor explained that:

The parents were suspicious of private day creches because they knew that the government was not encouraging this service. So, it took years to build up our service image. It also took a lot of explanations and a careful handling of parents to ensure that any skepticism of service had been dealt with properly.<sup>1</sup>

Even though this private sector day creche admitted children from middle class families it could be stigmatised. Therefore, selectivity in service provision, in this case the voluntary sector as an agent of the government, was not a necessary condition of stigmatization.

In the following two factors accounting for this social phenomenon are discussed in more detail:

(1) *Government subsidized daycare services were not provided free.*

Parents had to pay part of the cost. In the case of day creches, parents had to contribute 35% of the total operating expenses whilst the government subsidized the rest. On the part of day nurseries, parents had to pay according to a sliding  
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1. Interview: supervisor of a private day creche in a private housing estate, December, 1989.

scale. As the means-tested level was very low only a few people had received a full subsidy. In other words, the service was not free, parents had tended to regard themselves as having the right to it as consumers. For example, a subsidized day nursery supervisor commented on the rising expectation of some parents on her service:

If they had felt unsatisfied with our service, they would have shopped around. This attitude was more evident amongst those parents who had paid a full fee. Another reason was that the private alternative arrangements were not much expensive.<sup>1</sup>

Even for those on fee assistance parents could still choose between sectors. For instance, in a government home ownership estate in a new town, a private day nursery had 4 children out of its capacity of 100 receiving fee assistance. However, in the adjacent public rental estate within 5 minutes walking distance, there was a subsidized day nursery with a few vacancies at the time of the interviews. This illustration shows that parents had some choice. In these cases, it seems that fee charging and direct fee assistance to parents enhanced their sense of consumer rights.

*(2) Daycare centres were not confined to children with special social need or within the means-tested income levels.*

Two factors contributed to this. Firstly, since 1973 there had been a steady expansion of day nursery places. Apart from some districts where there were an over-concentration of the

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1. Interview: supervisor of a day nursery in an industrial district, December, 1989.

child population, day nursery provision for children between 2 to 5 years old were adequate in recent years. In some districts with an ageing demographic structure, news of day nursery closure had circulated. Henceforth, day nurseries had to admit children from different social backgrounds. Secondly, the very low means-tested level meant that voluntary sector operators had to intake children from families with household income higher than the eligibility criterion in order to fill up the capacity. This was the case which occurred first in day nurseries in the mid-1970s when the approved fee assistance could not catch up with inflation,<sup>1</sup> and was repeated in subsidized day creches recently.

In sum, it is inferred that a mix of children from different social backgrounds seemed very likely to have a positive effect on the image of daycare centres.

It seems that stigmatization occurs only if the service users all come from socially deprived groups. This was more obvious in subsidized day creches. However, there were few of them (a total of 18 centres in 1989) and they had begun to admit children from wider social backgrounds. For subsidized day nurseries, they had included wider social mix of children since the mid-1970s and around half of these children did not receive any fee assistance from the government at the end of 1980s.

To conclude, selectivity in provision will be inevitable if supply exceeds demand. However, selectivity is the necessary  
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1. As illustrated by a voluntary agency administrator, in the several centres they operated, around 80 % of the children in 1982-84 still paid the nominal fees because they were eligible under the means-test; however, their benefits had become smaller as the calculation of fee assistance could not peg with inflation. Thus, the ratio of children receiving fee assistance in 1986 had dropped to 60 % and 50 % in 1989 respectively.

condition but not sufficient for the stigmatization of users.

## Welfare Mix

Based on the above discussion, the Hong Kong government had been in favour of a strong voluntary sector in providing child daycare services. In the late 1950's, it regretted that the voluntary agencies were not sensitive enough to the rising need for non-institutional form of childcare; however, its own role as a non-provider was considered to be natural. Nevertheless, there had not been any explicit policy on the use of the voluntary sector as the main provider of day nurseries. An historical factor could be one reason: after the change of regime in China in 1949, voluntary agencies with overseas funding had a long history of relief work in this British colony. Nevertheless a strong voluntary sector was in line with a minimalist government. The demand for child daycare services was directed towards non-statutory provisions whilst the government might comfortably dispense its financial support within its desired budget. Besides, it could still take a high stance in its regulatory role on non-statutory practices. On the basis of this analysis, the government could be flexible in the choice of the welfare sectors without forgoing its underlying ideological position.

The private sector had little part in the government's policy on child daycare. Data on private day nurseries had not been available until 1973 when the government began the social welfare planning exercise. At that time, a survey was conducted for the first time which found out 2,278 private centre places

(SWD, 1973a, p.5). Until recently, the provision of private centres had not been included in the government's planning of day nursery places because it had given no subsidy to the private sector operators. A passive attitude had been adopted towards the private childcare sector, yet an active private sector would have relieved the pressure on government for further day nursery places. In the opinion of one voluntary agency administrator, after the government passed the Ordinance on childcare centres in 1975, a lower qualification for childcare workers was essential to let the private sector operators stay in the market. This evidence demonstrated that the government was interventionist in the establishment of a structure upon which the daycare institutions could operate according to its policy intentions. Hence, the phrase 'positive non-intervention'<sup>1</sup> would be more appropriate to describe Hong Kong government's attitude towards the childcare private sector.

In the informal sector, the family had been assumed to take up the responsibility of child daycare. Mothers should stay at home especially those with children below two years of age because it was believed that the provision 'would have the undesirable effect of encouraging mothers to seek employment in the open market when they should be at home looking after their babies' (SWAC, 13/79). Formal provision had only been given to those families who would have not been able to look after themselves.

At a first glance, the support of the voluntary sector by

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1. This is a phrase used by a former financial secretary of the Hong Kong government to describe its economic policy.

the government was incongruent with its neo-liberal ideology. However, provision in the hands of a less costly contracted sector fitted well with the assumptions of a minimalist government. The government policy on the informal sector can be understood from this same standpoint. Its policy towards the private sector also did not deviate from its neo-liberal ideology. A neo-liberal government like Hong Kong's was only required to establish a basic frame for the market to operate. The establishment of a minimum standard for day nurseries was just such a measure.

With a positive policy towards the voluntary sector as the formal provider of child daycare, the attendance in voluntary sector day nurseries was the largest amongst various formal sectors. In 1989, 4.3 per cent of the under-sixes was in voluntary sector day nurseries whilst 2.3 per cent in private centres (Table 5.2). The government had not provided any formal care except it operated a training centre which was set up to provide 80 places for the purpose of student fieldwork practice (Ngan, 1973).

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**Table 5.2 The Provision and Percentage of Under-sixes Attending Different Types of Childcare and Education Institutions in Hong Kong**

	1961	1966	1971	1976	1981	1986	1989
Population 0-5 (thousands)	549.3	615.2	469.0	450.0	466.5	478.1	476.8 <sup>3</sup>
Voluntary Day Nurseries							
Children(thousands)	2.6	13.3	11.3 <sup>1</sup>		12.0	17.0	20.6
(Percentage)	(0.5)	(2.2)	(2.4)	}	(2.6)	(3.5)	(4.3)
Private Day Nurseries							
Children(thousands)	-	-	-	}12.4 <sup>2</sup>			
(Percentage)				}(2.7)	6.3	9.7	10.8
					(1.4)	(2.0)	(2.3)
Private Nursery Education							
Children(thousands)	29.5	53.5	141.0	160.2	200.4	231.6	201.7
(Percentage)	(5.4)	(8.7)	(30.0)	(35.6)	(43.0)	(48.4)	(42.4)
Non-attendance of any formal type of care							
(Percentage)	(94.1)	(89.1)	(67.6)	(61.7)	(53.0)	(46.1)	(51.1)

Sources: Census and Statistics Department, *Hong Kong Annual Digest of Statistics*, Hong Kong:Government Printer, various issues; Social Welfare Department, *Annual Departmental Report*, Hong Kong: Government Printer, various issues.

Notes: 1. Figures as at July,1972.

2. 1981,1986, and 1989 figures of daycare services stand for financial years 1981/82, 1986/87 and 1989/90 respectively.

3. Estimated by the Census and Statistics Department, Hong Kong Government which includes a few hundreds Vietnamese refugee children.

With a passive attitude towards informal care, childminders were not required by the government to register. The number of childminders that had registered themselves with the authority in no way approximated to the actual reality. For example, only 19 childminders was known to the Child Care Centre Inspectorate in the 1987/88 financial year (SWD, 1988, paragraph 53) in respect

of a total population of near a half million under-sixes. Moreover the Director of Social Welfare Department was once quoted as revealing that the government was working on legislation 'to put brakes on the booming childminding business' (Hong Kong Standard, 18/7/1989). The data on playgroups were equally absent since they had been registered as day nurseries. According to the Hong Kong Branch of the Pre-school Playgroups Association, except a few operated by it, others were actually half-day nurseries with the 'playgroup' label.

One other distinct form of home care which was very popular amongst middle-class young working couples was the employment of Filipino domestic helpers. In 1989, there were 42,600 Filipino domestic helpers registered with the Labour Department (South China Morning Post, 12/11/1989). Apparently, not all social classes were equal in the use of domestic helpers. Research undertaken by the Young Women's Christian Association and Shue Yan College (1982) indicated that working mothers with professional jobs were more likely than clerical and manual groups in hiring domestic helpers. It was reported that 21.3% of the professional working mothers had employed domestic helpers. Whereas only 11% of the clerical group and none of the manual group were able to afford this kind of childcare arrangement for their pre-school children.

For a fuller picture of the outcome of the welfare mix, other sources of information should be looked at. In Table 5.3, the limited amount of research available indicated that care by the family and kin consisted from 80% to 90% of the childcare arrangements. The higher percentage of mother care (79.0%) in

Study One was due to the fact that non-working mothers were included as respondents. Besides, their children were between one year to 3 years old who required intensive care. The reliability of these research studies for the use in this thesis can be open to question due to their limited sample sizes and the different research problems they addressed compared with this study. However, the significant finding of these studies was the unreported forms of care : childminding and domestic helpers, which were absent in official data but had been found to be even more common than the use of formal group care (except Study Two).

**Table 5.3 Child Daycare Arrangements in Selected Studies in Hong Kong (Percentage)**

Forms of Care	Study 1	Study 2	Study 3 <sup>1</sup>
	(1986)	(1985-86)	(1988)
Mother	79.0	32.6	45.2
Kin	11.9 }91.8	57.8 }90.4	35.5 }80.7
Domestic Helpers	-	-	7.5
Childminders	3.2	2.6	6.5
Day Nurseries	1.6	7.0	3.2
Others	3.4	-	2.1
	N=308	N=215	N=93

Sources: S.K. Lau & P.S. Wan, 1987 *A Preliminary Report of Hong Kong's Social Indicators Research*, Hong Kong: Centre For Hong Kong Studies, The Chinese University of Hong Kong; Hong Kong Young Women Christian Association, 1988 *An Exploratory Research on Childcare and Service Opinion of Parents in Central and Western District*; Hong Kong Christian Industrial Committee, 1986 *The Report on the Childcare Service Need of Working Mother*.

Notes: 1. Study One was conducted by the Centre for Hong Kong Studies, the Chinese University of Hong Kong. As non-working parents were also interviewed in the sample, so a much higher percent of mother care had been identified. The respondents in

the Study Two and Three were working mothers. Study Two was conducted by the Hong Kong Young Women Christian Association whereas Study Three was carried out by the Hong Kong Christian Industrial Committee.

Based on the above evidence, the minimalist role of government in child daycare had produced an outcome in which the use of informal forms of care (family, kin and childminders etc.) predominated. It is especially obvious when the 0-2 age range had been taken into account that the informal sector took up the main caring responsibility.

In the formal daycare arrangements, the voluntary sector operators provided much more than their profit-making counterparts of the private sector. As the government had imposed a stricter control on the operation of day nurseries through its ordinance and the Inspectorate, therefore, private day nurseries as a business did not attract newcomers. This was illustrated by the case of day creches. They had been required to have a better staff/child ratio as well as other stricter regulations. These had indirectly added to the fee charged to parents to such a degree that an ordinary low income earner would have given up of using the service. For example, in 1989, the monthly fee charged by the few private day creches ranged from HK\$1,700 to 1,900; whereas an average female industrial worker earned about HK\$3,500 each month. For middle class parents, the employment of Filipino domestic helpers looked more attractive (a monthly salary of around HK\$2,500-2,700 in 1989) because they served other domestic chores as well. In sum, due to the high operating costs, the private sector day creches were not an attractive alternative to lower and middle class parents. Apart from this, the minimalist

policy of the government also induced an outcome that was discriminating against the lower socioeconomic classes. In one of the above sections, the study in 1982 by the Hong Kong Young Women's Christian Association and Shue Yan College on working mothers had been quoted to support this argument.

As the government lacked a positive policy for the lower socioeconomic classes, the manual group had relied upon other methods for their childcare arrangements. Methods such as taking shifts amongst household members and sending children back to China were not uncommon. In view of this phenomenon, an experienced voluntary agency administrator commented that this would have been detrimental to the future reintegration of these children into their families (Wu, 1989). Apart from this phenomenon, there were cases of young children falling from windows as a result of being left unattended at home and there were also incidents where children were abused by childminders (Hong Kong Legislative Council, June 28, 1989).

To conclude, the minimalist role of the government had opened the way for other sectors to flourish. Even though the voluntary sector had the financial support of the government, it would have only shared a small slice because of the residual nature of the provision. Thus, the main responsibility of daycare remained in the family and kin. In this light, the lack of positive state action had resulted in an outcome which was less detrimental to the better off but was discriminatory towards the lower socioeconomic classes.

## **Welfare Production**

The ideological assumption that natural mothers should stay at home to look after their babies had gained ground in the Hong Kong government's policy on child daycare. Nevertheless, this type of patriarchal family ideal was more likely to have been a convenient expediency than a firm belief for a government which had relied heavily on economic growth to finance its social services expansion. Because the patriarchal family had provided the ground for a minimal role of the government, then the 'limited' social resources would have been diverted to those 'productive' activities.

Two pieces of evidence are supportive to this argument. First, if the government had been serious about the virtues of the patriarchal family, there would have not been any point for the Director of Social Welfare Department in the mid-1960s to defend day nursery provision from the criticism that such provision would encourage mothers to work (Baron, 1965). Second, two and a half decades later, in view of the growing support for woman workers in a period of overall labour shortage, the government had planned to revise its 'freezing' policy on day creches development (SWAC, 5/89). These points support the argument that the government was more keen on facilitating economic development than upholding patriarchal family values.

Since the mid-1960s, the Hong Kong government had used the voluntary sector as a provider as part of its minimalist approach. By doing so, two ideological implications in the reproduction of social relations resulted. First, the use of a contracted third party as the provider did not transact to the users

the meaning of a social right which supposes to underlie the statutory provision. Second, the confinement of the role of the government to the minimal provision through the voluntary sector had opened ground for the informal sector and the market to exert their impact freely. In this light, the systemic factors had operated and produced an outcome that was in line with the neo-liberal ideology of the government. The popularity of nursery education can be used to explain this phenomenon.

In nursery education, there had been a rapid increase of enrolment in nursery schools since the mid-1960s (Table 5.2). In terms of 3-5 years old, the enrolment was 88.6% of its children population in September, 1985 (Hong Kong Government, 1986, p.39) even though government did not give any support to the private sector operators. It had not regarded pre-school education as important for the development of the younger generation (Hong Kong Government, 1981a, Appendix 3) possibly because of its belief in the 'suntan effect' (i.e. the comparative advantages experienced by nursery school children disappeared by the end of primary education, Hong Kong Government, 1986, p.38). In this regard, pre-school education was not to be assumed to effect economic development through the training of a future labour force, therefore, the responsibility should not lie in the government. However, why did so many parents enrol their children into nursery schools in Hong Kong ?

The improvement of the economic condition of the average Hong Kong family was one explanation (Hong Kong International Year of The Child Commission, 1980, p.13). However, the Chinese belief in education as the stepping stone to higher social class-

es was the more likely cause (Centre for Hong Kong Studies, 1987, p.20; Chu, 1985; Education Action Group, 1979). This latter factor explains the phenomenon that most parents desired to prepare their children to primary schools of better repute, then nursery schools had been regarded as a private 'headstart' project.

This Chinese belief in education not only resulted in the present division between pre-school education and daycare, but it also affected the form of daycare services. One day nursery supervisor revealed that some parents had pressurised them to 'teach' rather than just to organise 'playing' activities. Because of this parental pressure, some day nurseries had organised their five year old children into larger groupings (as large as 30) which resembled the class size of the first year of a primary school. This restructuring of the group size was regarded as a means of preparing children for the 'harsh reality' of the competitive system of Hong Kong's primary schools.

The favouring of education over care can be illustrated by another case. In one private preschool institution which had both nursery school and day nursery sections, all of its five year age group of the day nursery section were transferred to its nursery school section. Undertaking this move was a belief that all children could be better prepared for the 'academic curriculum' of Hong Kong's primary school system under nursery classes. The rationale behind this might be the absence of the notion of fostering creativity, independence and the development of individuality in the Chinese concept of education (Ho,1970).

To summarize the first half of this section on welfare

production, the government's choice of the voluntary sector, plus its selective distributive criteria had blurred the social right principle that state provision was supposed to embody. Besides, the lack of statutory provision had allowed the market (the private nursery schools) and the informal sector to flourish in a culture that had treasured educational achievement and resulted in a reproduction of values and beliefs that were compatible with the economic system.

Based on the available information and data, the government did not have any policy on the organizational structures of child daycare organizations. One possible reason was that the government delegated the provision to the voluntary agencies. As a non-statutory sector, these voluntary sector agencies were supposed to have their own autonomy in the operation of their welfare organizations. However, as the regulator and funding agent, the government could exert its influence through legislative enactments, policies and operational guidelines or even routine inspections by its regulating staff. Nevertheless, even the recently published *Activity Guidelines for Day Nurseries* (SWD & HKCSS, 1988) gave very little specification as to how voluntary sector daycare centres should organise in their administrative and authority structures. The *Guidelines* had only spared two paragraphs to point out the importance of the participation of parents in child daycare centres, but its recommendations were silent on any role for parents in decision-making. Community participation had also been encouraged, but it was the participation of children to familiarise them with their community rather than any designated role of community in the authority structure

of daycare centres.

This absence of policy was in line with the neo-liberal ideology of the government because its main concern had been economic growth with minimum standards for the deprived few. Even if the government had a policy on organisations of child day-care, egalitarian goals would have found no place in it. As voluntary and private sector operators had taken up the provider's role, they should be free to choose their own organisational structures insofar as any variation did not contradict the minimum service standard.

In the voluntary sector most voluntary agencies had operated more than one centre. Child daycare centres were planned to enable each community of 20,000 population to have one. The staff structure of a subvented day nursery had been standardised by the government. It had a supervisor and seven childcare workers for every one hundred children enrolled. From the visits it was found that supervisors of these centres were responsible for the daily operation of their centres, however, important administrative decisions such as appointment and termination of staff, as well as important financial decisions, had been referred to the headquarters for approval. Nevertheless, a high degree of administrative autonomy was given to these frontline supervisors. Decisions about programme designs, minor financial and administrative matters were decentralised. Even in the two private centres (one day nursery and one day creche) visited, their supervisors had enjoyed a nice relationship with their owners. Except for important decisions, as with their voluntary sector counterparts, they did not have to refer them to their owners. In this light, they

had enjoyed a relatively high degree of administrative autonomy. The small size of these centres might explain this relatively non-bureaucratic style of management.

Based on the above brief illustration, operators of formal childcare centres had neglected a concern about equality in social relations. Staff and parents participation in the decision-making process of daycare organisations was not an issue of concern. This lack of concern about equality of social relations was congruent with the underlying ideologies of the voluntary and private sectors. The primary concern of the frontline workers was their poor financial reward and their low social standing. For example, in one centre, childcare workers addressed each other as 'teacher' instead of calling others by their first names before the children and parents. The supervisor explained that the status of a teacher was more respectable in the Chinese culture. This way of addressing each other was regarded as beneficial in their image building even though their pay-scales and qualifications had been intentionally kept low by the government.

To conclude, it is inferred that the ideological assumption of a patriarchal family was a convenient excuse for the government to support its minimal provision of child daycare services. This provision had opened the way for the free play of the traditional Chinese belief of education to exert its pressure on pre-school education and services, and resulted in the reproduction of a value that had served the market economy. On organisational structures of child daycare centres, even though the government did not have any policy the outcome in terms of social relations in welfare organisations had been in line with its neo-liberal

ideology as well as ideologies of the sectors of which these organisations assumed. It is also inferred that the lack of concern about social equality in social relations was the underlying reason of the above outcome.

## Empirical Indicators of Hong Kong's Child Daycare Policy

In the following table, the main features of child daycare policy of the Hong Kong government are summarised :

**Table 5.4 Empirical Indicators of Hong Kong's Child Daycare Policy**

Variables	Features of Indication
Social Values of the Hong Kong Government	<p>Economic predominance over social policy as an increase in welfare could only be attained through economic growth.</p> <p>Negative freedom not claimed but outcome was the residual approach to welfare.</p> <p>Welfare not for the pursuit of social equality goals.</p> <p>The use of family as an excuse to keep down government intervention.</p>
The Government's Role	<p>Delegated the provider's role to the contracted voluntary agencies.</p> <p>Multi-faceted nature of the government's role: the use voluntary sector to provide and maintain an interventionist role in regulation.</p> <p>Ensuring maximum provision at a minimum cost to the government through regulation.</p> <p>Allowing the private sector to enter into the market by keeping down the operating cost, i.e. lowering the qualification of childcare workers.</p>
The Policy of Distribution	<p>The use of the contracted voluntary sector plus the selective criteria of admission provided no clue that childcare users had the right to the service.</p> <p>The users of the selectivist service were not being stigmatized.</p> <p>Child daycare not regarded as essential for</p>

establishing the 'rules of the game', hence it remained a selective service.

#### Welfare Mix

Favoured choice was the voluntary sector. Due to the residual nature of the service, the main responsibility remained in the informal sector. Private sector operators could not gain ground because government regulation had pushed up the operating cost.

#### Welfare Production

The absence of state production of child daycare services had opened the way for non-statutory sectors to reproduce their social relations in welfare transactions with users. This also opened the way for the Chinese culture to operate and reproduce a value that served the market economy. The government did not have any policy on organizational structures but the lack of concern on value issues in social relations was also in line with the ideology of the government and the sectors which these child daycare organizations belonged to.

## Concluding Remarks

This policy study has relied on an analytical framework in selecting the data over a period of time. This is an holistic case design without any sub-unit in contrast with the first case's embedded case design. In addition to the use of secondary data, interviews were conducted as multiple sources of evidence. The use of interviews was important because they provided another source of evidence to illustrate the policy, especially in obtaining evidence concerning welfare mix and welfare organisations. However, interviewer bias was possible because he might have been selective. Nevertheless, as these interviews had been only one source of data collection, their unreliability would have been minimized by the use of secondary data.

In the analysis of Hong Kong as a case in welfare ideology,

it was identified that the ideology of the Hong Kong government was neo-liberal throughout the period under study. But this Hong Kong strand of neo-liberalism was slightly different from the normative theory which has been formulated in Chapter 3 because the government had blended, in various ways, the Chinese belief of family as a justification of its 'benign neglect' policy. Besides, the predominant emphasis on the role of economic growth was also a little bit away from the philosophical issue of negative freedom in the normative theory. These unique features of Hong Kong's strand of neo-liberalism suggests that in practice, welfare ideology adjusts to different societies and formulates its hybrid form. It is also found that the incorporation of the concept of patriarchal family into welfare as an ostensible pretension of respecting traditional Chinese values had opened the way for the free play of other ideologies to flourish. In this light, the study of 'visible' government actions is not enough (Bachrach and Baratz, 1970) because the inaction of government allows the free play of competing ideologies to exert their impact.

## Chapter 6

# DATA ANALYSES: TESTING OF THEORIES AND HYPOTHESES

### Introduction

This chapter analyses the two case studies of Britain and Hong Kong and examines the predictive ability of the normative theories and the validity of the hypotheses. It uses the design method discussed in Chapter 2 to organise the data analysis. A measurement scale is constructed to provide a more systematic method of measurement and comparison. This chapter confines itself to data analysis, whereas policy and theory implications will be discussed in the succeeding final chapter.

### Method of the Study

In the analysis of the first case study, the test of the predictive ability of normative theories is by means of pattern matching between the two sets of indicators formulated according to the theoretical models of the welfare state and those from the practical policies of the two countries under study. Based on these findings, generalisations will be formulated for the test of external validity in the second case study. This is because in theory testing, no prior proposition or generalisations have been formulated. However, in the test of hypotheses, as theoretical propositions and hypotheses have been formulated in Chapter 2,

so the findings of the first case are used to compare with the initial generalisations. In this light, in the tests of theory and hypotheses in the second case study, their findings will be used to compare with the generalisations of the first case. Indeed, the comparison between the findings of both case studies in both theory and hypotheses testing is a kind of 'replication logic', which is used to extend the external validity of a single case. This comparison by a logic of replication may help to revise the initial theoretical generalizations and the revisions can be used to compare the second case.

This process can be repeated many times as an effort to increase the external validity of theoretical generalisations. However, this study confines itself to only the comparison between two cases due to the limited time and resources of a student researcher. This data analysis approach has been illustrated graphically below:

**Figure 6.1 The Data Analysis Approach**

	<u>Theory Testing</u>	<u>Hypotheses Testing</u>
Case Analysis of Britain	<ul style="list-style-type: none"> <li>* Pattern Matching</li> <li>* Generalisations from the findings</li> </ul>	<ul style="list-style-type: none"> <li>* Pattern Matching</li> <li>* Revision of generalisations</li> </ul>
Case Analysis of Hong Kong	<ul style="list-style-type: none"> <li>* Pattern Matching</li> <li>* Replication - comparing with the generalisations from the first case</li> </ul>	<ul style="list-style-type: none"> <li>* Pattern Matching</li> <li>* Replication -comparing with the revised generalisations of the first case</li> </ul>

# CASE ANALYSIS OF BRITAIN

## Theory Testing

According to Chapter 4, there are four types of government-in-power in the period under study. They are : 1) Labour in central government; 2) Labour in Sheffield's local government; 3) The One-Nation Conservative government and; 4) The Thatcherite Conservative government. Whereas in the construction of the theoretical models of the welfare state, five normative theories were selected, they are : traditional conservatism (conservatism), reluctant statism, Fabian socialism, neo-liberalism and communism. Ideal expectations have been constructed as specific indicators to compare with empirical indicators of the practical policies.

In the study of Labour's ideology, labourism has been identified as the practising ideology rather than the normative ideology of Fabian socialism as proclaimed by the Labour Party. As one purpose of this study is to test the predictive ability of normative theories, then Fabian socialism is used to compare with the practised policy of Labour. In the pattern matching with the Conservative Party, it is assumed that the Thatcher government was another strand of conservatism as though it had incorporated many of the essential neo-liberal social values. Therefore, conservatism is used to compare with the different ideological strands of the conservative governments. In other words, there are four sets of pattern matching which use the normative ideologies as they had been claimed by the concerned political parties

as the pre-test patterns to compare with the practical policies of the various governments-in-power. They are:

<u>Normative theories</u>	<u>Governments-in-power</u>
1. Fabian Socialism	Labour in central government
2. Fabian Socialism	Labour in Sheffield
3. Conservatism	The One-Nation Conservative government
4. Conservatism	The Thatcherite Conservative government

### Measurement Scale

A three-point ordinal scale with five value variations from 0-5 has been constructed in categories of 'strongly matched'(4-5), 'fairly matched' (2-3), and 'not matched'(0-1) to indicate numerically the degree of expectation matched between the two sets of indicators. In terms of total value achieved, 25 out of 25 ( $25/25 = 1$ ) implies a complete matching between the ideological expectations and the practical policy. A higher value to 1 denotes the higher degree of matching between patterns, that means the theory is likely to predict the practical choice and outcome in social policy.

Despite the fact that this measurement scale intends to provide a more systematic method of comparing patterns of indicators, it is clear that a certain degree of arbitration is inevitable in the assignment of values to this scale of matching between theory and practical policy.

This measurement scale has been used in both case studies.

## The First Set of Pattern Matching

This is between Fabian socialism and Labour in central government. The expectations constructed in Chapter 3 are used to compare with the indicators identified from Chapter 4 in the study of the British case.

**Table 6.1 Theory Testing: Pattern Matching Between Fabian Socialism and Labour's Child Daycare Policy**

Fabian Socialism	Policy Choice and Outcome	Expectation Matched
Social Values	Policy Choice	
Endorses positive freedom and equality of outcome. State's action as representing collective concern and fraternity.	Labourism in a conservative framework perceived equality as between labour and capital but not gender equality. Government action was aiming at achieving economic equality but not gender equality.	3
The State's Role/Government's Role		
A predominant interventionist state. The state's roles in regulation, finance and provision as means to rectify the inegalitarian impact of the market and as part of the redistributive strategy.	Minimalist roles in provision and finance, and permissive and passive in regulation. The non-interventionist role of Labour in child daycare was likely to be associated with its male-dominated trade-unionism and the lack of concern on gender issues. Government provision in nursery education was more interventionist, for Labour saw the early start at preschool level compatible with its productionist approach.	2
The Policy of Distribution		
Welfare as a right. Endorses universal services at maximum standard to avoid stigmatisation.	Child daycare not as a social right; thus, social deprivation justified government action. Fee charging according to means-test in reflecting the lack of statutory responsibility for this selective service. Stigmatisation was the accompanying social condition.	0
Welfare Mix	Policy Outcome	

A predominant state sector as an extension of individual's positive freedom.

Acceptance of other welfare sectors under specific conditions if the right of users is guaranteed.

Government reluctant to provide and finance the voluntary sector, and the private formal sector was not active as well due to regulation induced high operating cost. This policy resulted in a welfare mix predominated by childminders of the private sector and family and kin care of the informal sector for working mothers; whilst the insufficient statutory provision in nursery education activated an active playgroup movement of the voluntary sector as a substitute.

0

#### Welfare Production

Welfare transactions as a reproduction of social right. Egalitarian relation between users and providers endorsed. Collegiate authority relationship between staff is welcome. More likely to endorse a decentralised structure in which a more free and egalitarian relation can be engendered.

Non-statutory production of child daycare did not reproduce any ideology which would challenge the government's minimalist role. Childminding and playgroups indirectly supported sexual inequality, and selectivity in day nurseries obscured the social right principle between state sector provider and users. Decentralisation of provision to local authorities, so examination of welfare organisations put to the sub-unit study.

0

Measurement Scale : Strongly Matched (4-5)  
Fairly Matched (2-3)  
Not Matched (0-1)

Total Value = 5/25 (0.20)

Explanation : The practical policy choice and outcome of Labour in central government is not matched with the expectations constructed from the normative theory of Fabian socialism. A 0.20 total value in expectation matched can be considered as a rather low association.

Labourism as a practising ideology does not regard gender equality as an issue of concern, so the assignment of a low value is appropriate. However, the change of labourism to incorporate gender equality does not necessarily run contrary in principle to Labour's basic value-set. Therefore, the value of 3 at the higher

end of 'fairly matched' category is assigned to the variable of social value. In the government's role, the male-dominated trade-unions had pushed Labour's concern away from the issue of gender equality. However, Labour had still been keen on its interventionist approach based on a different assumption as illustrated in its support of nursery education, so the value of 2 at the lower end of the 'fairly matched' category is assigned. In the policy of distribution, welfare mix and the production of welfare, there were little sign of any socialist trait to be identified, so the zero value is assigned to each of these variables.

### The Second Set of Pattern Matching

This is between Fabian socialism and Labour in Sheffield. The expectations constructed in Chapter 3 under Fabian socialism are used to compare with the indicators identified in the study of the Sheffield sub-unit from Chapter 4 in the study of the British case.

**Table 6.2 Theory Testing: Pattern Matching Between Fabian Socialism and Sheffield's local Labour's Child Daycare Policy**

Fabian Socialism	Policy Choice and Outcome	Expectation Matched
Social Values	Policy Choice	
Endorses positive freedom and equality of outcome.	Equal outcomes between sexes as positive freedom required material base to materialise.	
State's action as representing collective concern and fraternity.	Equality between users and providers also emphasised. Government action required to rectify inequality.	5
The State's Role/Government's Role		

<p>A predominant interventionist state.</p> <p>The state's roles in regulation, finance and provision as means to rectify the inegalitarian impact of the market and as part of the redistributive strategy.</p>	<p>Intended to adopt an interventionist role in provision but was constrained by the central government of the opposite party, so, resulted in a minimalist role in practice.</p>	<p>1</p>
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The Policy of Distribution

<p>Welfare as a right.</p> <p>Endorses universal services at a maximum standard to avoid stigmatisation.</p>	<p>Believed in universal provision.</p> <p>But constrained by central government funding, it had to base social deprivation and low income as criteria, but working mothers got priority.</p> <p>Attemptd to minimise social stigmatisation on day nurseries by setting up joint centres and a mix of social classes.</p>	<p>2</p>
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<p>Welfare Mix</p>	<p>Policy outcome</p>
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<p>A predominant state sector as an extension of individual's positive freedom.</p> <p>Acceptance of other welfare sectors under specific conditions if the right of users is guaranteed.</p>	<p>The lack of government provision resulted in a welfare mix predominated by non-statutory provision except private and voluntary day nurseries because their high operating costs.</p> <p>Increase in provision of half-day nursery school resulted in insignificant increase in playgroups.</p> <p>The use of childminders of the private sector in a special scheme to offer more choices for working mothers.</p>	<p>2</p>
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Welfare Production

<p>Welfare transactions as a reproduction of social right.</p> <p>Egalitarian relation between users and providers endorsed.</p> <p>Collegiate authority relationship between staff is welcome.</p> <p>More likely to endorse a decentralised structure in which a more free and egalitarian relation can be engendered.</p>	<p>Minimum provision of day nurseries.</p> <p>Disfavour of non-statutory social relations especially evident in the case of playgroups because of their middle class nature.</p> <p>Social right of user for statutory provision was obscured by selectivity.</p> <p>In favour of egalitarian organisational structure, but bureau-professional autonomy resulted in a variance of organisational structures in statutory day nurseries.</p>	<p>3</p>
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Measurement Scale: Strongly Matched (4-5)  
 Fairly Matched (2-3)  
 Not Matched (0-1)

Total Value = 13/25 (0.52)

Explanation: A higher value is attained in the pattern matching

for the Sheffield's local Labour government. 0.52 in total value can only be regarded as a moderate association between the normative theory of Fabian socialism and the practical policy choice and outcome. The main reason is the highest value of 5 attained in the variable of social value by Sheffield's Labour government. As this local Labour government had shifted to relate its policy and services to its socialist beliefs, child daycare as a precondition of sexual equality was recognised. However, when it turned to the practical policy choices, the harsh reality of financial constraints imposed by the central government of the opposing party had put it to adopt a minimalist role in government action. The value of 1 is assigned to the variable of the government's role as the practical choice had not matched with the normative ideal. For the policy of distribution and the welfare mix variables, efforts had been tried within the financial constraint. For example, working mothers in Sheffield had the priority access to daycare service as against the national policy, and playgroups were not promoted because of their middle-class nature. Therefore, the value of 2 in the lower end of the 'fairly matched' category is assigned to both of them. A stronger influence on organisational structure could be seen in Sheffield because daycare services had been decentralised to the local governments. Egalitarian relationships were encouraged but professional autonomy was respected. This resulted in a variance of organisational structures. Thus the value of 3 at the higher end of the 'fairly matched' category is assigned.

A much higher total value is attained by the Sheffield local government as compared with the national Labour governments in

power in their different periods. The local Labour government in this case study had experienced socialist practices in child daycare but was constrained by the Conservative central government and the resulting policies turned out to be in the social democratic framework of labourism.

### The Third and Fourth Sets of Pattern Matching

The third and fourth sets of pattern matching are between the normative theory of conservatism and the One-Nation Conservative government as one set, and with the Thatcherite Conservative government as the other. These two sets of pattern matching can be put together as they are only different in their emphasis on social values, but same in the other variables in terms of policy choice and outcome.

**Table 6.3 Theory Testing: Pattern Matching Between Conservatism and the One-Nation Conservative Government, and Between Conservatism and the Thatcherite Conservative Government**

Conservatism	Policy Choice and Outcome	Expectation Matched
Social Values	Policy Choice	
	<b>The One Nation Pre-Thatcherite Conservative Government</b>	
Tradition and authority are their social values.	Inequality between individuals but the rich care for the poor.	
Inequality is essential for the hierarchical order.	Authority and tradition were sustained by the welfare state.	5
Welfare is an act of voluntary benevolence, not a right.	<b>The Thatcherite Conservative Government</b>	
	Inequality between individuals.	
	Incorporates neo-liberal social values of individualism and self-reliance.	
	Welfare as threatening to individual freedom.	3
	A strong government in building a framework for the market but negative in other areas.	

(Same indicators between both types of Conservative government in below)

The State's/Government's Role

In favour of a strong and moral state.	Minimalist roles in provision and finance, and permissive and passive in regulation.	
Interventionist state in welfare for the preservation of institutions associated with tradition and authority and minimalist in other welfare issues.	Maternal deprivation thesis provided the rationale for Conservative governments to rationalise the patriarchal division within family. Government provision in nursery education was more interventionist; for Conservative regarded it essential to equip the succeeding generation for the one nation state.	4

The Policy of Distribution

Welfare as a charity.	Child daycare not as a social right; thus, social deprivation justified government action.	
In favour of a selectivist approach except in areas for a strong and moral state.	Fee charging according to means-test in reflecting the lack of statutory responsibility for this selective service. Stigmatisation was the accompanying social condition.	5

Welfare Mix

Policy Outcome

Higher priority to the informal and voluntary sectors.	Government reluctant to provide and finance voluntary sector, and the private formal sector was not active as well due to regulation induced high operating cost.	
The choice of the state sector to be qualified.	This policy resulted in a welfare mix predominated by childminders of the private sector and family and kin care of the informal sector for working mothers; whilst the insufficient statutory provision in nursery education activated an active playgroup movement of the voluntary sector as a substitute.	3
Ambivalent about the market.		

Welfare Production

In favour of the reproduction of inegalitarian relations.	Non-statutory production of child daycare did not reproduce any ideology which would challenge the government's minimalist role.	
In favour of a structure of hierarchical relations amongst owners, users and staff.	Childminding and playgroups indirectly supported sexual inequality, and selectivity in day nurseries obscured the social right principle between state sector providers and users.	3
Centralisation in administrative structure is necessary in conditions not affecting their authority.	Decentralisation of provision to local authorities, so examination of welfare organisations put to the sub-unit study.	

Measurement Scale: Strongly Matched (4-5)

Fairly Matched (2-3)  
Not Matched (0-1)

Total Value

The 3rd set : The One Nation Conservative Government = 20/25 (0.80)

The 4th set : The Thatcherite Conservative Government= 18/25 (0.72)

Explanation : The 3rd set of pattern matching attains a higher total value (0.80) as compared with the 4th set (0.72). Their difference in value is insignificant due to their similarity in four out of the five variables compared. In the case of the variable social values, the One-Nation Conservative government is in the same value-set as the normative theory of conservatism whilst the Thatcherite Conservative government had incorporated the neo-liberal values and deviated in some areas from the normative theory. For example, individualism runs contrary to the conservative values of tradition and authority which stress the importance of continuity and an hierarchical social order. But the Thatcherite emphasis on the neo-liberal conception of self-reliance is compatible with the conservative notion of self-help and the reliance on the family institution. Thus, the incorporation of neo-liberalism into Thatcherite conservatism makes it less like the classical normative theory of conservatism. Hence, the value of 3 at the higher end of the 'fairly matched' category is assigned to the 4th set of pattern matching whilst the value of 5 at the higher end of the 'strongly matched' category is given to the 3rd set of pattern matching. On the government's role, the Conservative governments were minimalist because maternal deprivation provided a rationale for them to support a patriarchal division within family and deny women's right to childcare provision. However, these had been balanced by the conservative

notion of building a strong and moral state. Thus, an interventionist stance on nursery education was resulted. Therefore, the value of 4 at the lower end of the 'strongly matched' category is given. On the policy of distribution, child daycare had not been regarded by the Conservative governments as a social right. This is compatible with the classical conservative notion of regarding welfare as a charity. In this light, selectivity had been inevitable if welfare would have not been a social right or just as a 'gift' from the rich. Therefore, the value of 5 at the higher end of the 'strongly matched' category is assigned. On the welfare mix variable, some variation can be found between theory and practice. If the government had not intervened, a strong voluntary sector would have not been materialised. In this light, the outcome in practice was a strong informal sector and a significant share by the childminders of the private sector. Therefore, the value of 3 at the higher end of the 'fairly matched' category is assigned to this matching. On the final variable, the lack of statutory production had not reproduced any ideology which would have challenged the conservative value-set. This is compatible with the normative theory of conservatism. However, as the actual delivery of services had been decentralised to local authorities, so there was little guarantee that the structures of administration of day nurseries would be in accord with conservative expectations. Thus, the value of 3 at the upper end of the 'fairly matched' category is awarded.

In this constructed measurement scale, both strands of the Conservative governments have attained a high level of pattern matching with the normative theory of conservatism. The One-

Nation Conservative government attains a slightly higher value due to its strong matching in the social values variable and the Thatcherite Conservative government deviates only a little bit from the normative expectations because of its incorporation of the neo-liberal social values.

### Generalisation From Findings

In brief, the following table records the different values attained in the four sets of pattern matching by the different governments-in-power :

**Table 6.4: Expectation Matching Between Normative Theories and the Practical Policy Choice and Outcome in the Case Study of Britain**

		<u>The Governments-in-power</u>	
		The National Labour Government	The Local Labour Government
Normative Theories	Fabianism	0.20	0.52
	Conservatism	0.80	0.72
		The One Nation Conservative Government	The Thatcherite Conservative Government

*Note: Value of 1 = Expectation Totally Matched*

From the above table, it is clear that the two strands of Conservative government are relatively 'strongly matched' (0.80 and 0.72) with the respective normative theory of conservatism, whilst the national Labour government can be interpreted as being in a very low degree of matching (0.20) with the normative

theory of Fabianism. The local Labour government in Sheffield is 'moderately matched' (0.52) with the theory.

In this case study the predictive abilities of normative theories vary significantly (from 0.20 to 0.80). One generalisation is formulated as below :

*The predictive difference between Fabianism and Conservatism can possibly be the difference between the idealised ideologies and the practising ideologies.*

If ideologies are classified into two categories, the first category is those ideologies which are basically intellectually constructed models, used to characterise some perfect state, then Fabianism will be likely to fall in this one. These idealised ideologies are not constructed to represent the reality, instead they serve as guiding principles for their believers. In contrast, the second category of ideologies comes closer to reality. This is the category in which practising ideologies like conservatism and labourism belong to. These practising ideologies are formulated through the continuous interplays between reality and theory. However, they have drawn their ideological references and aspirations from idealised ideologies. Nevertheless, they have been constrained by a multiplicity of factors and blended themselves into practising ideologies. For example, labourism has been constrained by its trade union faction and adopted a gender biased stance against childcare as a social right. But this stance, as evident in the Sheffield sub-unit study, had shifted to a more sympathetic approach when the established policy was challenged by the ascendant feminist movement.

In this light, if labourism, like conservatism, as a prac-

tising ideology is used to predict the policy choice and outcome, the value it attains will be likely at the higher end of the measurement scale. The higher value attained by the Sheffield's sub-unit when the local Labour Party had turned to experience socialist practices illustrates this point.

## Hypotheses Testing

Hypothesis testing follows the same pattern as theory testing in having four sets of pattern matching in the variables of welfare mix and welfare production. The practising government ideologies are used to deduce ideological expectations as ideal indicators for the matching with the empirical indicators of the practical policies. In other words, before each set of matching, ideological expectations have to be deduced as indicators. This is followed by the explanation of values attained in the matching. There are four sets of this kind of pattern matching for hypothesis testing between pre-test and empirical patterns of indicators. They are presented as follows:

Government Ideological Expectations	Governments-in-power
1. Labourism in a conservative framework	Labour in central government
2. Labourism in a social democratic framework	Labour in Sheffield
3. The One-Nation conservatism	The One-Nation Conservative government
4. The Thatcherite conservatism	The Thatcherite Conservative government

## **The First Set of Pattern Matching : Labourism in a Conservative Framework and Labour in Central Government**

The construction of pre-test pattern : The ideology of the Labour central government was labourism within a conservative framework for it had not adopted a socialist approach towards childcare. As equality between men and women is not a priority for labourism on a conservative framework, so the Labour government's role was in a double-bind. In this light, the provision of child daycare would have affected the immediate interests of a male dominated union movement. Thus, gender equality was not taken seriously by the Labour government of the time. Based on this analysis, it is inferred that an interventionist approach would have been out of the question and a neglect of access to child daycare as a right had been turned into a private matter, especially a matter for the natural mothers. Thus, the Labour government's choice of welfare mix was reactive rather than directive. Market forces should play a significant part in determining the outcome since the government had assumed a minimalist role.

Based on this analysis of the Labour government ideology a residual state sector in daycare is expected. In this light, the informal sector will be a favoured choice because childcare is regarded as a private matter. The role of trade unionism in labourism has constrained it to regard the private sector as a less favoured choice because it acts against economic equality. The voluntary sector is not incompatible with the government ideology for its provision increases the total output of the formal care. Thus, this helps to minimise the pressure on government's provision. But for pre-school education, a productionist

approach to social policy allows labourism to adopt an approach beyond residual provision. In welfare production, the predominant non-statutory production of childcare is not to reproduce an ideology that can uphold egalitarian social relations. Therefore an egalitarian relation between users and providers is not a necessary condition but egalitarian relations amongst staff are stressed because labourism recognises trade union member's rights to a role in management. Labourism does not have a definite position on organisational structures within welfare organisations, and decentralisation will not be incompatible insofar as it is productive because labourism has emphasized a productionist approach.

This set of pattern matching for the test of the hypothesis is listed in the following:

**Table 6.5 Hypothesis Testing: Pattern Matching for Labourism in a Conservative Framework**

Government Ideological Expectations	Policy Outcome	Expectation Matched
<b>Welfare Mix</b>		
<p>A residual state sector in daycare but beyond residual in pre-school education.</p> <p>The informal sector is the favourable choice.</p> <p>The private sector is not favoured because it is against economic equality.</p> <p>The voluntary sector is not incompatible with the government ideology.</p>	<p>Government reluctant to provide and finance voluntary sector, and the private formal sector was not active as well due to regulation induced high operating cost.</p> <p>This policy resulted in a welfare mix predominated by childminders of the private sector and family and kin care of the informal sector for working mothers; whilst the insufficient statutory provision in nursery education activated an active playgroup movement of the voluntary sector as a substitute.</p>	4
<b>Welfare Production</b>		
The predominant non-statutory production	Non-statutory production of child daycare	

of childcare is not to reproduce an ideology that upholds egalitarian social relations. Egalitarian relations between users and providers is not a necessary condition but egalitarian relations amongst staff are stressed because of its trade unionism component. No definite position on organisational structures within childcare organisations and decentralisation is not incompatible insofar it is productive.

did not reproduce any ideology which would challenge the government's minimalist role. Childminding and playgroups indirectly supported sexual inequality, and selectivity in day nurseries obscured social right principle between state sector provider and users. Decentralisation of provision to local authorities, so examination of welfare organisation put to sub-unit study.

3

Measurement Scale : Strongly Matched (4-5)  
Fairly Matched (2-3)  
Not Matched (0-1)

Total Value = 7/10 (0.7)

Explanation : A total value of 0.7 has been reached which implies a fairly significant relationship between the independent variable and the dependent variables.

In the welfare mix a residual state sector in the provision of daycare is matched with ideological expectations because daycare is regarded as detrimental to the stability of the family. In the practical policy, nursery education had been favoured by the Labour government but it remained insufficient as compared with the need. In this light, childminders of the private sector were advocated as a substitute for family care. However, the private formal day nurseries had not been advocated because they were expensive. Based on this analysis, it is inferred that the choice of the private sector can only be 'fairly matched' with the ideological expectation of this strand of labourism. However, the voluntary sector is matched with the ideological expectation. It is because playgroups of this sector were proposed as an alternative to nursery school as they were low-cost. At last, the

family and kin of the informal sector were the main provider and this outcome is compatible with the Labour government's minimalist role. On the whole three out of the four welfare sectors have been matched with the ideological expectations of labourism in a conservative framework. Whereas the fourth, the private sector, has been 'partly matched'. So, the value of 4 at the lower end of the 'strongly matched' category is assigned to this pattern matching on welfare mix.

In terms of welfare production labourism in a conservative framework does not regard childcare as a social right, therefore, the predominant non-statutory production of childcare is not to reproduce an ideology that upholds egalitarian relations. The predominant provision by family members and kin, childminders and playgroups had indirectly supported sexual inequality and this indicator is compatible with labourism's ideological expectations. In administrative structure, as the provision was decentralised to local authorities, so the pattern matching in welfare organisations is deferred to the analysis of the sub-unit of Sheffield. Therefore, the higher value of the 'fairly matched' category can only be assigned to the welfare production variable.

### **The Second Set of Pattern Matching : Labourism in a Social Democratic Framework and Labour in Sheffield**

The construction of pre-test pattern : The ideology of Labour in Sheffield was labourism in a social democratic framework because it had been constrained by the central government of the opposing party after it had shifted to adopt a more positive attitude towards childcare. Since then, Labour in Sheffield had regarded

childcare as a prerequisite to positive freedom for women because equal outcome between the sexes required a material base. It had intended to adopt an interventionist role but was constrained by the central Conservative government and this resulted in a minimalist role in practice. Therefore, in theory, labourism in a social democratic framework accepts a predominant state sector though this is much handicapped by the lack of resources. It will adopt a negative attitude towards non-statutory sectors because they are, to varying extents, limiting women's right of access to childcare. Labourism in a social democratic framework may accept non-statutory sectors under specific conditions in which users' right can be protected because it is constrained by the available limited resources. On ideological expectations of welfare production, provision of daycare is favoured because it can reproduce egalitarian social relation between genders. Egalitarian relationships between users and providers are also likely to be welcome as well as a collegiate relationship amongst staff in welfare organisations. It is also inferred that labourism in a social democratic framework is more likely to endorse a decentralised structure in which more free and egalitarian social relations can be fostered.

**Table 6.6 Hypothesis Testing: Pattern Matching for Labourism in a Social Democratic Framework**

Government Ideological Expectations	Policy Outcome	Expectation Matched
<b>Welfare Mix</b>		
A predominant state sector is preferred. Negative attitude towards non-statutory	The lack of government provision resulted in a welfare mix predominated by non-statutory	

sectors, but they can be accepted under specific conditions of which users' right can be protected.

provisions except private and voluntary day nurseries because their high operating costs. Increase in provision of half-day nursery school resulted in insignificant increase in playgroups. The use of childminders of the private sector in a special scheme to offer more choice for working mothers. 3

Welfare Production

Provision of daycare to allow women the choice and reproduce an egalitarian social relation between genders. Egalitarian relation between users and providers endorsed. Collegiate relationship amongst staff is encouraged. More likely to endorse a decentralised structure in which a more free and egalitarian relation can be fostered.

Minimum provision of day nurseries. Disfavour of non-statutory social relations specially evident in the case of playgroups because its middle class nature. Social right of user for statutory provision was obscured by selectivity. In favour of egalitarian organisational structure, but bureau-professional autonomy resulted in a variance of organisational structures in statutory day nurseries. 3

Measurement Scale: Strongly Matched (4-5)  
 Fairly Matched (2-3)  
 Not Matched (0-1)

Total Value = 6/10 (0.6)

Explanation : A total value of 0.6 has been reached and this implies a fairly moderate relationship between the independent variable and the two dependent variables. In the welfare mix of the practical policy the outcome had been dominated by the informal sector, whereas the state sector was residual. The voluntary sector and the private sector were also insignificant in provision because state regulation had pushed up the cost of operation. The negative attitude towards the non-statutory sectors can be illustrated by the relatively low playgroup provision in Sheffield because they were regarded by the City Council as a middle class activity. In one instance, childminders were recruited as a local authority project to offer a wider choice for working mothers. In this case, the underlying ideological

assumption of the private sector, of which childminders belong to, had been transformed to suit the purpose of the state. Generally speaking, the outcome in welfare mix has only been fairly compatible with those ideological expectations of labourism in a social democratic framework because it was constrained by a central government with an opposing ideology. However, its policy towards playgroups and childminders had achieved some impact on this outcome. In other words, the higher value of 3 at the upper end of the 'fairly matched' category is assigned to this matching.

In the area of welfare production, a minimum provision of daycare in the outcome is incompatible with what is ideologically expected from labourism in a social democratic framework. It is because this ideology considers favourably the provisions and choices in daycare for women. Despite the constraints placed upon it by the central government of the opposing party, the Labour Party in Sheffield had adopted some positive measures which could maximize the provision of childcare services, for instance, the childminding project, the abolition of daycare charge. In this regard, in this sub-unit study, there is a fairly positive relationship between the ideological expectations and the policy choice and outcome. Apart from this the local authority also experimented with user and staff participation in its service units, though bureau-professional autonomy had resulted in a variance of organisational structures. Therefore, the higher value of 3 at the upper end of the 'fairly matched' category is assigned to this matching on welfare production.

### **The Third Set of Pattern Matching : One-Nation Conservatism and The One-Nation Conservative Government**

The construction of the pre-test pattern and explanation : This is between one-nation conservatism and the One-Nation Conservative government. The pattern matching between traditional conservatism and the national Conservative government in the theory testing section can be used here because one-nation conservatism is just another description of traditional conservatism. In other words, there is little need for another construction of a pre-test pattern as well as another test between ideological expectations and empirical indicators of policy. In this case, the values attained in the section on theory testing are repeated here, that is, both the value of 3 at the higher end of the 'fairly matched' category in welfare mix and welfare production. In other words, a total value of 0.6 has been attained and this suggests a moderate relationship between the ideological expectations and the policy choice and outcome.

### **The Fourth Set of Pattern Matching : Thatcherite Conservatism and the Thatcherite Conservative Government**

The construction of the pre-test pattern: This is to the match ideological expectations of Thatcherite conservatism with empirical indicators of the Thatcherite conservative government on welfare mix and welfare production. Thatcherite conservatism is an artificial blend of traditional conservatism and neo-liberalism. In Thatcherite conservatism there is an internal rivalry between conservatism's social values of authority and tradition

and neo-liberalism's social value of the restless individualism. However, in practical terms, both strands in Thatcherite conservatism would agree on a minimal provision of welfare in general and the neglect of childcare as a social right in particular. In constructing its ideological expectations of the welfare mix the private sector will be the definite choice based on the neo-liberal strand of Thatcherite conservatism. The informal sector and the voluntary sector are also compatible with both strands of this ideology. The state sector should be the least favoured choice except for the deprived few who are not able to help themselves. In welfare production, the Thatcherite conservative ideology is likely to be in favour of the reproduction of inequalitarian social relations. A minimal provision in childcare is compatible with its ideological assumption. Its neo-liberal strand dictates that it does not take a strong view on extending egalitarian social relations in welfare organisations, but it is equally true that it will not take any positive step in its advancement. It is also inferred that this ideology will be ambivalent in its choice of administrative structure. It is because its neo-liberal strand does not hold any strong view on the administrative structure but its conservative strand is more likely to be in favour of a strategy of centralisation.

This set of pattern matching to test the hypothesis is listed in the following table:

**Table 6.7 Hypothesis Testing: Pattern Matching in Thatcherite Conservatism**

Government Ideological Expectations	Policy Outcome	Expectations Matched
<b>Welfare Mix</b>		
The private sector as the main provider. The informal sector and voluntary sector are favoured. The state sector is residual.	Government reluctant to provide and finance voluntary sector, and the private formal sector was not active as well due to regulation induced high operating cost. This policy resulted in a welfare mix predominated by childminders of the private sector and family and kin care of the informal sector for working mothers; whilst the insufficient statutory provision in nursery education activated an active playgroup movement of the voluntary sector as a substitute.	4
<b>Welfare Production</b>		
In favour of inegalitarian social relations. Not strong view on egalitarian social relations in welfare organisations, and it is less likely to take positive step in advancing it. Also ambivalent on administrative structure, or at least no strong view on decentralisation or centralisation. Its conservative strand tends to be in favour of centralisation.	Non-statutory production of child daycare did not reproduce any ideology which would challenge the government's minimalist role. Childminding and playgroups indirectly supported sexual inequality, and selectivity in day nurseries obscured social right principle between state sector provider and users. Decentralisation of provision to local authorities, so examination of welfare organisation put to sub-unit study.	4
Measurement Scale: Strongly Matched (4-5) Fairly Matched (2-3) Not Matched (0-1)		

Total Value = 8/10 (0.8)

Explanation : An overall value of 0.8 is assigned to this matching and that implies a fairly strong relationship between ideological expectations of Thatcherite conservatism and empirical indicators of the policy choice and outcome in this case study.

In the welfare mix a residual state sector is compatible

with this set of ideological expectations. In the practical policy the private formal sector was not active, and this had been supplemented by the private informal sector in the form of childminding. The playgroups of the voluntary sector had been proposed as a substitute for insufficient nursery education. The rest was taken up by the family and kin of the informal sector. On the whole, the outcome is 'strongly matched' with the ideological expectations, therefore, it is reasonable to assign the value of 4 at the lower end of the 'strongly matched' category.

In the area of welfare production of the practical policy, the non-statutory provision of childcare had been likely to produce an ideology which would not have challenged a minimalist role for the government. Women's rights of access to childcare were neglected in this situation. This is compatible with the ideological expectations of Thatcherite conservatism. The provision of childcare had been decentralised which indicated the absence of a strong view on welfare organisations in this ideology. This ambivalent view is also compatible with the Thatcherite conservative ideology. On the whole, the value of 4 at the lower end of the 'strongly matched' category can be assigned to this matching.

### **Comparing Findings With the Main Hypothesis**

In this case study of the national unit, two mass parties with different ideological orientations were in power during the period under study. One of them, the Conservative Party, actually had two orientations. In other words, there are three sets of

government ideologies in the study of the national unit: the Labour government, the One-Nation Conservative government and the Thatcherite Conservative government. Despite their different ideological orientations, their choices in welfare mix and welfare production did not vary. This indicates that this thesis has to explain:

*Why the choice and outcome in welfare mix and welfare production did not change accordingly to the change or shift in emphases in government ideologies ?*

Furthermore, the shift of labourism from a conservative framework to a social democratic framework (that is, the difference between the national and local Labour Party) had resulted in a change in the two dependent variables. This has raised the second question:

*Why did the contrary happen in the study of the Sheffield sub-unit?*

Answering these two questions is important in the explanation of the main hypothesis. The key to these questions is to explain the essential logic of the independent variable. As formulated in Chapter 2, a government ideology consists of three sub-variables, they are social values, the role of the government and its policy of distribution. Nevertheless, the right of access to social resources is fundamental to these three sub-variables. For instance, if a social right to social resources is recognised, users will be equal to each other. Then, the role of the government will be interventionist in order to guarantee sufficient social resources available for the realisation of positive freedom. Then there will not be any selective criteria erected to

stigmatise users. Therefore, in translating these three ideological sub-variables into empirical indicators, the right of access to social resources is the demarcation amongst ideologies.

From this analytical perspective, the national Labour Party was not different to any significant extent in its practice from the other two strands of the Conservative Party. These three governments-in-power did not believe in childcare as a social right, though they had different reasons for this position. In other words, their choice and outcome in welfare mix and welfare production were on a similar pattern. Conversely, the shift from the conservative framework to the social democratic framework in labourism (between the national unit of Labour and the sub-unit of Sheffield) has indicated a break-away from the neglect of a user's social rights. Therefore, deducing from this ideological break-away, the local Labour Party in Sheffield had adopted a different approach in its choice of the government's role, its policy of distribution, welfare mix and welfare production. As a result, a significant higher value (0.52) has been achieved by the Sheffield's local Labour than its national governments (0.20).

Based on this analysis, the three national government ideologies had converged into the same neglect of a social right to childcare and turned out in the same pattern in their policy choices and outcomes. For example, this neglect of a social right had resulted in a welfare mix predominated by childminders of the private sector and family care of the informal sector. In welfare production, non-statutory production would certainly not reproduce any ideology that could challenge the government's

minimalist role and its ideological assumptions. Conversely, the sub-unit study had illustrated a shift in ideological orientations which created a more favourable choice and outcome for working mothers in Sheffield. For instance, playgroups as middle-class activity were not favoured by the 'socialist' orientated Sheffield local government. Based on these analyses, the main hypothesis can be considered as valid even though its degree of causation cannot be ascertained. Apart from this it can also be verified by the 4 sets of pattern matching. In these matchings, the higher total value attained is 0.8 whereas the lowest is 0.5, and the mean is 0.675 that implies a moderate relationship between the independent variable and the two dependent variables (see Table 6.8).

**Table 6.8 Average Total Value Achieved in the Main Hypothesis Testing**

Pattern Matching	Total Value Achieved
Labourism in a conservative framework	0.7
Labourism in a social democratic framework	0.6
One-nation conservatism	0.6
Thatcherite conservatism	0.8
Mean = 0.675	

These findings suggest that the main hypothesis can be supported as there is a moderate relationship between the testing variables. The remaining task is to explain the constraining variables on state ideology.

## Examining the Subsidiary Hypothesis

The three propositions of the subsidiary hypothesis have been discussed in the following in an attempt to explain the contrary outcome with generalisable reasons :

(i) *Opposing Ideologies*. In this embedded study, the Sheffield sub-unit illustrates clearly how the opposing governments-in-power in two levels were constrained by each other. This is because the central government-in-power had to rely upon the local government to execute its service. In the sub-unit case, the local government of Sheffield with an opposite ideology had come up with a set of policies and outcomes which ran contrary to the central government of the time. Thus, this local government of Sheffield had been rate-capped by the central Conservative government and turned itself from self-proclaimed socialism into a social democratic framework of labourism. In sum, the central government ideology can be constrained by the opposing ideology at the local level.

(ii) *Bureau-professional Autonomy*. In the study of the Sheffield sub-unit, some variance in the authority structure had been found in the childcare projects. Staff relationships between projects varied as well as their extent of autonomy. A different degree of emphasis in staff and user participation was evident in the projects administered by the local authority, as well as between the state and voluntary sectors. For instance, the supervisor of a workplace nursery in Sheffield had demonstrated an authoritarian attitude in administering her daycare organisation. This

inegalitarian relationship in the authority structure of a non-statutory enterprise had certainly been contrary to the socialist practice which was advocated by Sheffield's Labour government. In terms of administrative structure, innovations of services had not been absent in these projects because the people at the top of the hierarchy did not intervene in the actual operation of these organisations. Even though Sheffield's Labour government had been experimenting with socialist practice, nevertheless a pluralist organisational structure in day nurseries of this local authority was identified.

(iii) *Flexible Interpretation in State Ideology.* Ideology changes over time. One-nation conservatism had been challenged by the fall of capital accumulation and was induced to incorporate neo-liberal social values of self-reliance and individualism as ideological arguments to roll-back the welfare state. This shift in its own interpretation had produced a new strand of conservatism, Thatcherism, as a new blend of traditional conservative social values and neo-liberal principles and assumptions. The Labour Party's socialist ideology had also been flexibly interpreted into labourism within a conservative framework because of its trade-union composition and its productionist approach to welfare. Thus it had overlooked the right of women to childcare as a precondition for their equality with men. When the Sheffield's local Labour government had adopted municipal socialism as its guiding ideology in local government policies, labourism was reinterpreted into a social democratic framework, which was a step nearer to socialist ideology.

## Eliminating Alternative Explanations

Apart from the above three propositions which have offered explanations for the contrary outcome, there may be alternative explanations that can replace state ideology in its relationship with welfare mix and welfare production. Four such alternative explanations are briefly reviewed in the following:

(i) *Class Explanation*. The rise of Thatcherite conservatism could be understood as a response to the conflict between the need for capital accumulation and the need of state welfare. The Thatcher government was to roll back the frontiers of the welfare state and paved the way for the advance of capitalist interests. From this interpretation it can be suggested that a minimalist policy towards childcare is in line with the class explanation. However, this interpretation cannot explain why the other mass party, Labour, had adopted the same stance towards the neglect of childcare. Based on a crude interpretation of this class explanation, working-class women belong to the same class as their male counterparts, thus Labour should be more sympathetic than the Conservative Party towards childcare. Furthermore, the class explanation also fails to explain why the same working class party, Labour, had shifted to adopt a more sympathetic stance towards childcare in its local government of Sheffield since the early 1980s. Nevertheless, in the sub-unit of Sheffield, the discrimination against the middle-class playgroups can be used as an illustration of the class explanation; however, this can also be interpreted as a display of the egalitarian social value of

socialism.

(ii) *Economic Growth and Industrialism*. The economic explanation has suggested that as the economy grows, welfare production will be increased accordingly. However, the case study of Britain cannot verify this proposition because the national governments-in-power had been consistent throughout the period in disregarding the cycle of economic development. For instance, the first post-war Labour government ordered the close-down of the wartime nurseries whilst at the stage of the welfare state expansion and economic growth. In contrast, when the British economy had begun to decline and the welfare state consensus collapsed, the Sheffield Labour government shifted to take a more sympathetic stance towards childcare. Either case cannot be explained adequately by economic factors.

(iii) *Labour Market and Demographic Structure*. The economic activity rate for married women aged 16 and above in Great Britain (Table 6.9) had increased substantially from 21.7% in 1951 to 43.9% in 1971, and 49.2% in 1986. Strictly interpreting from the labour market explanation, there should be more provision of childcare by the government to cater for the rising needs of working mothers; however, the local authorities' day nursery provisions increased only from 23,000 in 1959 to 29,100 in 1985 (Chapter 4 - Table 4.2). The state sector had been reluctant to bow to this demographic pressure. The association between these two variables is not significant.

**Table 6.9 Economic Active Rates of Married Females (Great Britain)**  
(16 and above) (in percentage)

1951	1961	1966	1971	1976	1981	1986
21.7	29.7	38.1	43.9	46.8	47.6	49.2

Sources: Central Statistical Office, *Social Trend*, Issues of 1973 & 1988, HMSO.

Apart from the female participation rate in the labour market, the under-five population throughout the period had decreased from 3,452 thousands in 1959 to 3,151 thousands in 1985 (Chapter 4 - Table 4.2). This suggests that a milder pressure from the demographic factor had been evident in the period, however, the provision for daycare places had increased from 23,000 to 29,100 during the same period (Chapter 4, Table 4.2).

(iv) *Political System*. In Britain, the delegation of personal social services to local authorities has, to a certain extent, undermined the effectiveness of the central government in the implementation of its welfare plans. The strategies of rate-capping and 'poll tax'-capping on local authorities, by which the present Conservative central government aimed to keep the overall government welfare spending to a minimum, have illustrated this point. This seems to suggest that a pluralistic political system is important in providing an arena for any opposing party to exert its resistance. However, this arena is by itself neutral. For instance, local authorities of the Conservative Party can adopt a reverse position to that of Sheffield's 'socialist' platform. Therefore, this proposition by itself is inadequate as an explanation for state action.

To conclude, these four alternative explanations cannot adequately predict state action and they can rarely relate to welfare mix and welfare production. In sum, there is little indication that these factors explain the policy outcome in the case study of Britain.

## Generalisations for Cross Case Analysis

Drawing on the above discussion and analysis on theory and hypothesis testing, there can be several generalisations from this British case study which will be used to compare with the findings of the second case.

### Generalisation One :

*In this case study, the predictive difference between Fabianism and Conservatism can possibly be the difference between idealised ideologies and practising ideologies, then a practising ideology is likely to attain a higher value in a measurement scale of the prediction of practical policy.*

### Generalisation Two :

*In this case study, the moderate value attained in pattern matching between a government's ideological expectations and its practising policy lends support to the main hypothesis.*

### Generalisation Three :

*The findings of this case study support the subsidiary hypothesis that a state ideology is constrained by opposing ideologies, bureau-professional autonomy and flexibility in its interpretation in predicting the outcome of welfare mix and welfare production.*

### Generalisation Four :

*In this case study, the four alternative explanations cannot adequately predict state action and they can rarely relate to welfare mix and welfare production.*

# CASE ANALYSIS OF HONG KONG

## Theory Testing

### Pattern Matching

The Hong Kong government throughout the period under study has been identified as being neo-liberal. Based on this understanding, the ideological expectations which have been formulated in Chapter 3 under neo-liberalism are used to compare with empirical indicators of the practical policy of child daycare in Hong Kong.

**Table 6.10 Pattern Matching Between Neo-liberalism and Hong Kong's Child Daycare Policy**

Neo-liberalism	Policy Choice and Outcome	Expectation Matched
<b>Social Values</b>	<b>Policy Choice</b>	
Negative freedom as an eternal value. Inequality as a necessary condition for realisation of negative freedom. Recognizes state welfare only in occasion for the compensation of diswelfare outside the market system.	Economic predominance over social policy as an increase in welfare could only be attained through economic growth. Negative freedom not claimed but outcome was the residual approach to welfare. Welfare not for the pursuit of social equality goals. The use of family as an excuse to keep down government action.	4
<b>State's/Government's Role</b>		
Minimalist except in terms of the market's frame building. Regulatory role in overseeing frame building and dealing with external effects of the market. Financing and providing roles should also be minimal.	Delegated the provider's role to the contracted voluntary agencies. Multi-faceted nature of the government's role: the use of voluntary sector to provide and maintain an interventionist role in regulation. Ensuring maximum provision at a minimum cost to the government through regulation. Allowing the private sector to enter into the market	5

by keeping down the operating cost, i.e. lowering the qualification of childcare workers.

### The Policy of Distribution

Welfare not a right.

In favour of selectivist approach except in areas favourable to the establishment of 'the rules of the game'.

The use of the contracted voluntary sector plus the selective criteria of admission provided no clue that childcare users had the right to the service. The users of the selectivist service were not being stigmatized.

5

Child daycare not regarded as essential for establishing the 'rules the game', hence it remained a selective service.

### Welfare Mix

Favoured choice is the market.

The state sector is necessary in modern societies but it has to be cautiously scrutinized.

Other sectors as supplementary and could enlarge individual choice.

### Policy Outcome

Favoured choice was the voluntary sector.

Due to the selective nature of the service, the main responsibility remained in the informal sector.

4

Private operators could not gain ground because government regulation had pushed up operating cost.

### Welfare Production

In favour of inegalitarian social relations in welfare transactions because of its rejection of social right principle.

Decision makings more likely to be authoritarian because collegiate relationship not a priority.

Disfavour of bureaucratisation and in favour of decentralisation of the statutory services to non-statutory sectors.

The absence of state production of child daycare services had opened the way for non-statutory sectors to reproduce their social relations in welfare transactions with users.

4

This also opened the way for the Chinese culture to operate and reproduce a value that served the market economy. Government did not have any policy on organisational structures but the lack of concern on value issues in social relations was in line with the ideology of the government and the sectors which these child daycare organisations belonged to.

Measurement Scale : Strongly Matched (4-5)  
Fairly Matched (2-3)  
Not Matched (0-1)

Total Value = 22/25 (0.88)

Explanation : This set of pattern matching has attained a total value of 0.88 which can be interpreted as a fairly high association between the normative theory of neo-liberalism and the practical policy choice and outcome. On the social values varia-

ble, the Hong Kong government did not take negative freedom as the primary value as yet a residual approach had turned out. It was because it had incorporated the patriarchal family of the Chinese culture as a camouflage to hide its intention to keep down government welfare spending. In this light, welfare had never been regarded by it as an attempt to achieve social equality. In sum, indicators demonstrated by the Hong Kong government were highly compatible with the ideological expectations illustrated in neo-liberalism. Based on this discussion, it seems fair to assign the value of 4 at the lower end of the category 'strongly matched' to this social values variable. On the variable of the state's/government's role, an imaginative use of the different dimensions of welfare sectors had been evident and they produced a similar outcome. This is explained by the multifaceted nature of welfare sector as discussed in Chapter 1. As outcome is measured, the value of 5 at the upper end of the category 'strongly matched' is selected. On the variable of policy of distribution, even though the voluntary sector had been used to deliver the service, the outcome of selectivity in admission remained the same. Although stigmatization had not been evident in the case under study this effect on users is not emphasized by the respective normative theory. Thus the value of 5 at the upper end of the category 'strongly matched' is given. On the variable of welfare mix, a slight variation was present in the choice of welfare sectors between the normative theory and the case under study. The Hong Kong government had chosen the voluntary sector as the main provider though effort was made to enable the private sector to enter into the market; however, this had

not been successful as a minimum standard of service provision had to be kept. Besides, its choice of welfare sectors had rested on practical considerations rather than a philosophical argument concerning with widening individual choice. Nevertheless, the choice of the voluntary sector also served the purpose of reproducing inegalitarian social relations. In sum, the outcome in terms of the welfare mix is highly compatible with the normative theory. In this light, the value of 4 at the lower end of the 'strongly matched' category is selected. On the variable of welfare production, value issues on social relations were not items on the agenda of the government. It has been inferred that not only did the sectors under study reproduced their underlying ideologies in transactions with their users, the lack of government welfare transaction had also opened the way for the Chinese culture to operate and produced values that were compatible with the market economy. In terms of organisational structures, there were no obvious authoritarian structures that were established in day nurseries in this study. Generally speaking, the value of 4 at the lower end of the 'strongly matched' category is assigned.

### **Replication: Comparing With Generalisation One**

Based on the total value attained, 0.88 of the expectation matching in the constructed measurement scale, neo-liberalism as a normative ideology has a rather strong predictive ability in this study. This is in contrast with the generalisation from the first case that a normative ideology is less predictive than a

practising ideology. It seems that neo-liberalism is as equally predictive as conservatism. This suggests that Generalisation One will not be replicated if neo-liberalism is classified as a normative ideology. The problem seems to lie in the use of Fabian socialism as a normative ideology to predict the practical policy in the British case study. If labourism is used instead to match with the Labour governments, a higher value will be predictable. For both cases, the normative theories used for comparison are based on what had been proclaimed by the concerned governments-in-power instead of what was being practised. In this light, there was a wider discrepancy between what had been proclaimed by and what was actually practised by the Labour government. Conversely, there was a greater compatibility between what was proclaimed and practised by the Conservative governments-in-power and the government of Hong Kong.

The classification of neo-liberalism has become another core issue. If neo-liberalism had been classified as both a normative ideology and a practising ideology, the incompatibility between both case studies would have been overcome. In fact, neo-liberalism can be classified as this. This is because, not only the Hong Kong government practises neo-liberalism, modern states like the United States of America has also adopted such an approach towards welfare and was named as a reluctant welfare state (Higgins, 1981, p.56). In other words, given the above adjustment, it can be inferred that :

*The generalisation formulated from the first case can be sustained against the findings of the second case.*

## Hypotheses Testing

### Pattern Matching : Hong Kong's Strand of Neo-liberalism and The Hong Kong Government

The construction of pre-test pattern : It has been inferred that the ideology of the Hong Kong government is another strand of neo-liberalism. It is because this neo-liberal strand had adjusted to the Chinese context and stressed the reliance on family in justifying its minimalist approach to welfare. Nevertheless, neo-liberalism allows welfare to be increased along with the pace of economic growth. However, government welfare action has to be kept to a minimum except where the family cannot help itself. In a way, the use of non-statutory provision will not be in violation to this ideological stance because it can maximize welfare provision at a minimum cost to government. For instance, in an effort to allow more private operators to get into the market, the Hong Kong government had lowered childcare workers' entry qualifications. In the policy of distribution, the contracting-out plus the selective criteria had helped to ensure that childcare was not regarded as a social right. In short, if childcare had not been regarded as a social right, selectivity would have been inevitable in such a case to ensure non-statutory responsibilities to childcare.

Based on the above analysis of the Hong Kong government's ideology, it is inferred that this government will choose non-statutory sectors as providers. It would be very unlikely that the state sector would be the primary choice. Therefore, it is quite logical to assume that the voluntary sector is not incompatible with the government's ideological stance, but the fa-

voured choices are more likely to be the private sector and the informal sector. On welfare production, the transaction of child-care services through the non-statutory sectors is more likely to reproduce inegalitarian social relations which are in line with the ideological stance of the government. It is clear that statutory provision would be kept to a minimum. In organisational structures, it is likely that egalitarian social relations are not the primary goal of the organisational structures. It can also be inferred that the domination of provision by non-statutory providers is more likely to perpetuate the production of inegalitarian social relations. As child daycare centres were contracted-out to the voluntary sector, the government is less likely to adopt a definite position on how they should be administered insofar as effectiveness can be guaranteed.

The following table presents another set of pattern matching between the ideological expectations deduced from the ideology of the Hong Kong government and the empirical indicators of the policy under study :

**Table 6.11 Hypothesis Testing: Pattern Matching in the Hong Kong Government's Neo-liberalism**

Government Ideological Expectations	Policy Outcome	Expectation Matched
Welfare Mix		
The state sector is not the choice. The favoured choice is the private and the informal sector. The voluntary sector is not incompatible with the government ideology.	Favoured choice was the voluntary sector. Due to the selective nature of the service, the main responsibility remained in the informal sector. Private operators could not gain ground because government regulation pushing up operating	4

cost.

#### Welfare Production

It is more likely to reproduce inegalitarian social relations in non-statutory transactions.  
In authority structure, egalitarian social relations are not the primary goals.  
No definite position in the administrative structure insofar as effectiveness can be guaranteed.

The absence of state production of child daycare services opened the way for non-statutory sectors to reproduce their social relations in welfare transactions with users. 4  
This also opened the way for the Chinese culture to operate and reproduce a value that serves the market economy.  
Government did not have any policy on organisational structures but the emphasis on efficiency and the lack of concern on value issues in social relations were in line with the ideology of the government and the sectors which these child daycare organisations belonged to.

Measurement Scale : Strongly Matched (4-5)  
Fairly Matched (2-3)  
Not Matched (0-1)

Total Value : 8/10 (0.8)

Explanation: A total value of 0.8 has been attained that implies a fairly strong relationship between the independent variable and the dependent variables. In terms of welfare mix, the choice of the voluntary sector is not incompatible with the neo-liberal ideology as though this was not its most favourable choice in ideological expectations. As the informal sector had been the main provider and this outcome would have been compatible with the government's neo-liberal ideology which had incorporated a Chinese patriarchal concept of family. The private sector had been constrained by the regulation imposed by the government to maintain a minimum standard for the services, it could not gain ground in its share of the welfare mix. At least, the use of the voluntary sector had produced a similar outcome for a minimalist government like Hong Kong's. Therefore, the value of 4 at the lower end of 'strongly matched' category can be recommended for

this matching on the variable of welfare mix.

In terms of the production of welfare, the use of non-statutory sectors had reproduced a value that would have not challenged the neglect of childcare as a social right. Besides, the minimal government action had allowed the Chinese culture to exert its influence and produced a value that was compatible with the market system. This was illustrated by the heavy enrolment in Hong Kong's nursery schools. On the organisational structure in childcare institutions, the government did not have any policy because it had contracted-out the provision to the voluntary sector. The voluntary sector operators could have their own choice of organisational structure rather than the government's. In those formal agencies visited no egalitarian authority structure had been identified. Nevertheless, this had not meant that any choice of egalitarian authority structure would have been in contradiction with the government's neo-liberal ideology. In theory, neo-liberalism believes in equal opportunity. In this light, user's right and staff's participation in decision-making can therefore find a place in this ideology. However, neo-liberalism is less likely to actively pursue any egalitarian relation in childcare organisations. Due to the small size of child daycare centres in Hong Kong, the relatively non-bureaucratic form of administration had been identified. This outcome is not incompatible with the government's neo-liberal stance. On the whole, the value of 4 at the lower end of the 'strongly matched' category is assigned to the variable of welfare production.

## Examining the Main Hypothesis by Replication : Comparing With Generalisation Two

In the British case study hypothesis testing was more straightforward because the change in government ideologies (i.e. between the national and the Sheffield's units) had apparently led to a change in policy choice and outcome. Thus, this is a more straightforward approach to validate the relationship between the independent variable and the dependent variables. But for this second case study, there was no obvious change in government ideology throughout the period under study. In this regard, the test of the hypothesis has to rely on the analysis of data : the comparison between empirical indicators of the findings and ideological expectations constructed from the deduction of the respective theoretical model of welfare state. The total value of 0.8 has been attained in this comparison and this could be considered as a strong relationship between the testing variables.

Based on these two case studies there are five sets of pattern matching in the tests of the main hypothesis. These findings suggest that the relationship between the testing variables varies from moderate to fairly strong (0.6 to 0.8 in total value). Table 6.8 is replicated here and value attained by this present test is included to produce an average total values of 0.7 in Table 6.12. It is assumed that this average total value shows a moderate relationship in the matching and moderately supports the main hypothesis.

**Table 6.12 The Final Average Total Value Achieved in the Main Hypothesis Testing**

Pattern Matching	Total Value Achieved
Labourism on a conservative framework	0.7
Labourism on a social democratic framework	0.6
One-Nation conservatism	0.6
Thatcherite conservatism	0.8
Neo-liberalism	0.8
	Mean = 0.7

### **Comparing With Generalisation Three: Examining the Subsidiary Hypothesis**

As in the British case study three propositions of the subsidiary hypothesis are discussed in the following to explain their constraints on state ideology:

*(i) Opposing Ideologies.* Opposing ideologies had not been obvious in this case study for two reasons. Firstly, there was no opposing political party in this city-state. Secondly, at the operational level, the voluntary and private sectors did not exhibit any ideology which was incompatible fundamentally with the neo-liberal ideology of the government. As non-statutory sectors had paid little regard to value issues such as user's rights in organisational structure, hence ideologies between government and welfare sectors in this case study were rather compatible with each others.

(ii) *Relative Autonomy of Bureau-professionals.* There were slightly different views towards the government's child daycare policy between a former Director of Social Welfare Department who defended the expansion of voluntary day nursery places in the mid-1960s (Baron, 1965) and the official line adopted in the 'freezing' of day creches in 1979 (SWAC, 13/79). This illustration suggests that a possible range of autonomy was enjoyed by bureau-professionals. Apart from this, the maternal deprivation thesis and the patriarchal family were ideological constructions by bureau-professionals to justify the mainline neo-liberal stance of a minimalist government. Based on their construction, bureau-professionals can interpret either positively (in case of Baron) or negatively (in case of the 'freezing' of day creches) within their autonomous range in the policy-making process.

At the operational level, there had not been any obvious indication of an exercise of relative autonomy by voluntary sector operators in the authority structure of child daycare organisations. This may be explained by the compatible ideologies between the funding body and the contracted welfare sector. The uniformity of service pattern and standard in daycare institutions in this case study reflects a higher degree of self-discipline, professional training and, co-ordination between bureau-professionals in this service field.

To conclude, bureau-professional autonomy is a variable in constraining state ideology, however in the case of compatibility between ideologies, as in this case study, it is not likely to be operational.

(iii) *Flexibility of Ideology.* In this case study, the Hong Kong

government's interpretation of its neo-liberal ideology had been highly consistent, except in the MacLehose's era. When in power this governor placed great emphasis on the importance of social policy's 'four pillars' to his vision of 'Community Building' (MacLehose, 1976). However, there had not been any evidence of a fundamental change of policy towards child daycare except that a higher provision level had relied on additional resources drawn from the rapid economic growth in this era. Apart from this, the incorporation of the conservative notion of the patriarchal family into welfare, in ostensible respect for the Chinese culture, is another illustration of the flexible interpretation of ideology which had produced another form of neo-liberalism. However, this flexible interpretation of ideology is compatible with the neo-liberal stance of a minimalist government. In this case, this variable is not likely to act against the state ideology of the same persuasion.

The findings from the first case study have supported the subsidiary hypothesis that the three constraining variables can explain the incomplete matching between the independent variable and the two dependent variables. However, in this second case study, the three constraining variables have not been found effective as the intervening factors. On the variable of opposing ideology, the Hong Kong case study has not revealed any obvious opposing ideology against the government-in-power. On the variable of bureau-professional autonomy, there had been evidence but it was short of any vigorous exercise. On the variable of flexible interpretation of ideology, there had been some such evidence, but as yet such phenomenon was compatible with the ideolo-

gy of the government.

To conclude, the findings of the second case study have not replicated the findings of the first case study with regard to these three constraining variables on state ideology. That these three constraining variables did not exert their influence was mainly due to the compatibility between state ideology and ideologies at various levels (the lack of opposing ideologies at the national and local levels as well as in the voluntary sector operators which ran the services). As state ideology had been relatively free from the constraining variables, a higher total value in hypothesis testing is achieved in this case study. The failure to achieve an even higher value is probably due to the multi-faceted nature of the welfare sectors. As illustrated in Hong Kong's case study, the choice of the voluntary sector had been compatible with the ideological assumption of a minimalist government. Therefore, even though the outcome of the welfare mix had not been as forecast, the same outcome would have been achieved in accord with the ideological expectations. Besides, there should be a difference between a minimalist government and an interventionist one. The latter tends to exert its influence whereas the former's minimalist approach tends to let informal social forces and the market mechanism to shape the outcome of a welfare mix. In other words, it is the form and it is not the content of the outcome that is fairly incompatible with the ideological expectations.

#### **Comparing With Generalisation Four: Eliminating Alternative Explanations**

Apart from the above three propositions which offer explanations for the contrary outcome, there may be other alternative explanations that can replace state ideology in its relationship with welfare mix and welfare production. Again, like the British case study, four such alternative explanations have been briefly reviewed in the following:

(i) *Class Explanation*. Class explanation of welfare can be conceptualized as 'the use of state power to modify the reproduction of labour power and to maintain the non-working population in capitalist societies' (Gough, 1979, pp.44-45) in order to maximize the accumulation function of capital (O'Conner, 1973). In this case study, this class theory can explain the irrelevance of childcare provision in the reproduction of labour power because of the sustan-effect argument. In this light, the lack of the provision would not affect the accumulation function of capital. Nevertheless, this class explanation has to explain the incorporation of the concept of a patriarchal family into a neo-liberal ideology. This incorporation had hindered a free mobility of the labour force between the family and the market. For instance, in times of labour shortage in this case study of Hong Kong, the state action was cosmetic. Besides, it has also to explain how the class interest could link up with the supposedly neutral bureau-professionals who are decision-makers either in the state sector or the voluntary sector. For example, the powerful advisory body on social welfare in Hong Kong, the Social Welfare Advisory Committee, had been mainly composed of professionals from various non-statutory representations. These people could either

take a line for or against the interest of capital. To conclude, class theory offers some insight in the study of welfare, but in this case study it cannot adequately explain the state's welfare action.

(ii) *Economic Growth and Industrialism.* Despite the economic growth Hong Kong had attained in the 1970's and 1980's, the Hong Kong government consistently kept its child daycare provision at a minimal level. The assumption underlying this neglect was the belief that a minimal government action would generate economic growth (Hong Kong Government, 1965; Chiu, 1988; Ho, 1987). Hence, there had not been any indication that the government would change its policy at a given level of economic development or industrialisation. In sum, economic growth and industrialisation are necessary conditions to provide resources and to activate the demand for daycare services, but they had not been the determining variables in this case study.

(iii) *Labour Market and Demographic Structure.* Drawn from data on female labour participation rates between 1961 and 1987 (Table 6.13), the demand for child daycare would have risen if labour force participation had been a variable in the demand for this service. This trend of female workers in the labour force had been especially evident in the age group between 25-34 which was the child bearing age. Between 1961-87, there was a 89% increase of female workers in this age group in the labour force in the time of a quarter century. Further data on female labour participation rates by marital status in a cross-sectional illustration (Table 6.14) shows a significant difference (a drop from 91.6% to

54.8% for 20-29 age group, and 95.5% to 47.3% for 30-39 age group) between females in the labour market due to their difference in marital status in 1989. It is assumed that child rearing was a highly possible explanation for constituting these differences. In view of the demand for labour, the Hong Kong government in this case study had been consistent in the period under study in retaining its minimalist approach to welfare.

**Table 6.13 The Female Labour Force Participation Rates in Hong Kong (15 and over)**

Age group	1961	1971	1976	1981	1986	1987
20-24	51.1	69.5	71.8	80.0	84.3	84.4
25-34	33.9	39.6	47.7	55.9	64.2	64.2
15 & over	36.8	42.8	43.6	49.0	48.9	48.6

Source: Census and Statistics Department, Hong Kong Government, *Hong Kong Annual Digest of Statistics*, Hong Kong: Government Printer, various issues.

**Table 6.14 Female Labour Force By Age and By Marital Status In Hong Kong**

(January to March, 1989)

<u>Age Group</u>	<u>Never Married</u> %	<u>Ever Married</u> %
15-19	25.1	18.0
20-29	91.6	54.8
30-39	95.5	47.3
overall	68.8	38.3

Source: Census and Statistics Department, Hong Kong Government, *General Household Survey: Labour Forces Characteristics, Quarterly Report*, Hong Kong: Government Printer, 1989.

Furthermore, the changes in the demographic structure did not have any effect on child daycare policy. The data show Hong Kong had a smaller 0-5 population in 1986 than 1966 (478.1 and 615.2 thousands respectively - Chapter 5, Table 5.2), and a negative relationship has developed (26.4 day nursery places in every thousand in 1986 versus 13.3 in 1966 - Chapter 5, Table 5.2) between population and child daycare services. Data on household compositions have also demonstrated the need for child daycare services. If the extended nuclear family had been considered as a factor in demand-driven state action for the socialisation of care, Hong Kong would have such a demographic structure traceable since 1976 (the percentages of nuclear families in Hong Kong were 60.2 in 1976, 54.4 in 1981 and 59.2 in 1986, Table 6.15).

**Table 6.15 The Percentage of Unextended Nuclear Families in Hong Kong**

Household Composition	1976	1981	1986
One Unextended Nuclear Family	60.2	54.4	59.2

Source: Census and Statistics Department, Hong Kong Government, *Hong Kong 1986 By-Census Summary Results*, Hong Kong: Government Printer, 1986.

Notes: 1. The unextended nuclear family is a family unit nucleus without other related household members.

2. No data collection on this factor before 1976 and after 1986 before the next census in 1991.

To conclude, there was no positive relationship between female labour participation and demographic structure on one hand, and the development of child daycare provision on the other. In contrast a negative relationship was evident between

the under-six population and daycare centre places.

(iv) *Political System*. In this case study, the Hong Kong government as a colonial administration had derived all its political power from the United Kingdom and there had not been any representation of the people until 1985 when it introduced 24 indirectly elected seats into a legislature with a total of 56 seats (Hong Kong Government, 1984). Despite this democratic gesture, the power had still been vested in the executive governor in the period under study. Therefore, there were no checks and balances between branches of government in this case study and the ideology of the government-in-power was supposed to have the most direct impact on its policies.

To conclude this section on intervening variables, amongst these variables, class theory did not adequately explain state action. Economic growth and industrialism were not associated with childcare provision. Labour market and demographic structure were not in a positive relationship with the service. Centralized power in the executive governor and his administration had provided no constraining effect on the ideology of the government.

As with the case study in Britain the findings of this case study had also supported the proposition that :

*These four alternative explanations are not validated.  
Generalisation Four has been supported.*

### **Remark on the Limitation of the Study Method**

A strength of this chapter is the use of a measurement scale

to assign values to the pattern matching between ideological expectations and empirical indicators. However, it is noted that value assignment is by itself a form of arbitration. This arbitration has not been immune from criticism as subjectivity is inevitable in the assignment of values. In fact this is the major limitation in the tests of theory and hypotheses of these case studies. The further use of one or two persons in rating would have improved the reliability of assigning values, but due to the nature of this study this tactic had not been used.

## Conclusion

The objective of this chapter is to test the theory and hypotheses. In this theory testing it has been found that idealised ideologies are less predictive than those practising ideologies. Idealised ideologies can serve as normative yardsticks to draw comparison for improvement towards a perfect state. Whereas the practising ideologies have drawn their sources of aspiration both from the idealised ideologies as well as from the reality. Even though the use of idealised ideologies as a predictive tool is less effective, it will still show the extent that the proclaimed ideology of a government-in-power is matched with the normative models. As for the use of practising ideologies, the logic of deduction from ideology to indicators for comparing practical policy can help to identify the extent of the inter-relationship between ideological assumptions and practical policy outcome.

The findings of the two case studies have supported the main

hypothesis that :

*The welfare ideology of a state is likely to be the main factor in the outcome of welfare mix and the form in which welfare is organised in the production of social relations in the different societies under study.*

The relationship between state ideology, welfare mix and welfare production can be considered as 'strongly moderate'. The unlikelihood of this relationship has been explained by the subsidiary hypothesis in the case study of Britain. Whereas in the second case study of Hong Kong, the lack of opposing ideologies at different levels and the multi-faceted nature of the welfare mix have explained the relatively lack of constraint on the state ideology. The flexibility of interpreting ideology is always a concern, this is also an area requiring further study because this can be interpreted as an interplay of an ideology with a constantly changing reality. This understanding puts the study of ideology into a proper position that will not neglect other socioeconomic factors. In this light, the study of ideology is a starting point of enquiry rather than an end of an intellectual pursuit in state welfare. The extent of bureau-professional autonomy is another concern in the study of state ideology. Bureau-professionals can interpret positively or negatively state ideology to their favour. Nevertheless, the extent to which bureau-professionals manipulate has not been an easy question to answer.

The two case studies have also consistently found that the four alternative propositions did not adequately explain state ideology.

## Chapter 7

# CONCLUSIONS, THEORY AND POLICY IMPLICATIONS

### Introduction

This final chapter starts with a brief review of the findings of the previous chapters. Based on these concluding findings, their implications for theory and policy are discussed. The focus of this chapter is to develop a theory of welfare production as an explanation of the relationship between ideology and welfare sectors in the division of care and welfare responsibilities in societies. In developing this theory, the limitations of the instrumental theories about welfare mix are pointed out. In the last sections, the implications of the wider social and economic changes in capitalism are analyzed. An integrative strategy towards welfare mix in particular and welfare in general is proposed.

### A Summary of the Conclusions of Preceding Chapters

This thesis is concerned with the study of welfare mix and welfare ideology. In Chapter 1, the boundary of the research problem of the study was defined. It was found that different ideologies interpret the concept of 'welfare state' differently. These differences reflect their different versions of distributive justice. It has also been revealed that a shift in the

boundaries between welfare sectors is related to the ideology of a state. This is because any shift in the boundaries between welfare mix reflects the approach of a state on resource redistribution. In this regard, the study of welfare mix is related to the welfare ideology of a state. It is also inferred that different welfare sectors reproduce their underlying ideologies through transactions between users and providers. Thus, the choice of welfare sectors by a state also indicates its preferred ideology to be reproduced in the production of welfare.

In Chapter 2, the research problem has been conceptualized and hypotheses were formulated for testing. It has been hypothesized that welfare ideology of a state is the factor which is most likely to determine the welfare mix of a society. A subsidiary hypothesis was also formulated because it was assumed that there is always some discrepancy between theory and practice. Therefore, the validity of a hypothesis lies not only in its ability to explain the likely outcomes but also its ability to predict the unlikely situations. Based on this assumption, it has also been inferred that state ideology is likely to be constrained by its interplay with opposing ideologies, the relative autonomy of bureau-professionals and its flexible interpretation of state welfare. In testing these hypotheses, an analytical framework has been constructed which is based on the five variables of the hypotheses. Then, based on this analytical framework, theoretical models of the welfare state have been constructed. The expected indicators of these theoretical models were used to test the validity of ideology in predicting state welfare as well as in making comparisons with empirical indicators of the practi-

cal policies under study. The 'multiple-embedded-case design' has been used in this comparative study of child daycare policies between Britain and Hong Kong. It was clearly stated that there are two objectives for this study. The first is to test the predictive ability of normative theories of the welfare state, and the second is to test the extent to which welfare mix and welfare production are affected by the welfare ideology of a state.

Chapter 3 started with a brief review of the literature on normative theories of the welfare state. Then it was followed by the construction of the criteria for the classifying framework. On the basis of this framework, five groups of such normative theories were selected, they are conservatism, neo-liberalism, reluctant statism, Fabian socialism and communism. They have been reformulated by the analytical framework into theoretical models of the welfare state. In other words, these theoretical models have been used as ideal types for comparing with practical policies.

In Chapter 4 and 5, the British and Hong Kong child daycare policies were also formulated according to the analytical framework and empirical indicators were identified. These two case studies have been confined to the periods between the era immediate after World War II and the later part of the 1980's. In the study of the British case, Sheffield has been chosen as the sub-unit whereas in the study of Hong Kong, a holistic-case design was used. It was found that there had been a marked similarity between Labour and Conservative governments in Britain in their policy choices in relation to child daycare provisions even

though they were based on different value assumptions. They were one-nation conservatism and Thatcherite conservatism for Conservative governments and labourism for Labour's rule. In the study of the Sheffield sub-unit, the shift of labourism to the community socialist strand of Fabian socialism discharged some idea about socialist practice. However, it was found that, as a local government, the Sheffield Labour government was constrained by the central government of the opposing ideology, and transformed into labourism in a social democratic framework. In the case study of Hong Kong, neo-liberalism was identified as the welfare ideology of the government. But this strand of neo-liberalism is slightly different from its ideal type because the government had blended in various ways Chinese beliefs in the family as a justification of its 'benign neglect' policy of a minimalist role for the state.

In Chapter 6, a data-analysis approach was developed. It was divided into two components. The first one dealt with theory testing and the second one worked on hypotheses testing. The two case studies were analyzed one after the other according to this data-analysis approach. In theory testing, it has been found that idealized ideologies are less predictive than those practicing ideologies. In hypotheses testing, the findings of the two case studies supported the main hypothesis that the welfare ideology of a state is likely to be the main factor in the outcome of welfare mix and the form in which welfare is organized in the production of social relations. The relationship between state ideology, welfare mix and welfare production can be considered as 'strongly moderate'. The unlikelihood of this relationship was

explained by the three variables in the subsidiary hypothesis. They are the opposing ideologies, the bureau-professional autonomy and the flexibility in interpreting ideology. The four alternative explanatory variables, class, economic growth and industrialism, labour market and demographic structure, and political system, did not adequately explain state welfare in these two case studies.

### **Social Condition and The Ideological Production of Welfare**

Based on the findings of the preceding chapters theoretical and policy implications are discussed in the following sections.

This study illustrates that ideology is part of a welfare transaction between users and providers. Moreover, this ideology belongs to the welfare sector which carries different meanings even though the same material or tangible transaction is recorded. For example, the provision of care by a mother for her ailing child carries with it maternal affection between family members; whilst the statutory provision of home care service to this same child can be perceived as an extension of a society's collective fraternity. Their ideological meanings are clearly different. This case illustration suggests that ideology operates within a social context. In this study, the social condition conducive to the transmission and perpetuation of welfare ideology is the welfare sector. In other words, a welfare sector provides ideology with a social context. In this regard, ideology is experienced in our daily activities. For example, a universal free service provided by the state carries the message that we have a social

right to it, whilst the purchase of a service through the market perpetuates the belief that our monetized relationship with the provider is matter of 'fact' or 'natural'. This means that a welfare sector has acted as the material context which relates abstract values with concrete every day experiences. It is through this contextual medium that abstract ideological meanings can make sense in our everyday world.

The essential feature of these experiences is that they are not openly coercive, however, they socialize us to an ideology that competes for hegemony in the moral order of a society. This moral order acts as an evaluative criterion of people's attitudes, behaviours and actions. In sum, our daily experiences have provided a material base that perpetuates a welfare sector's ideology as 'natural' and 'taken for granted'. As suggested by Hall in his analysis of communication, 'hegemony can only be maintained so long as it makes sense in terms of the recipients of information's common-sense world view' (Hall,1973, p.13 quoted in Taylor-Gooby, 1985, p.110). This common-sense world view has been generated and sustained by the daily experiences of transactions in welfare sectors. For instance, in Britain, the use of selective criteria in distributing day nursery places had obscured the transaction of a clear social right principle to users of the local state's service. In Hong Kong, the contracting-out of child daycare to voluntary agencies had also perpetuated an ideological assumptions about state/family boundaries even though this service was partly financed by the state. Both cases illustrate the hegemony of ideological beliefs in the division between state and family in the care of pre-school children in the

two societies under study. The above analysis of ideology as a hegemonic moral order has come close to the three-dimensional view of power expressed by Lukes (1974). He argues that power 'cannot be adequately analyzed unless it is seen as a function of collective forces and social arrangements' (Lukes, 1974, p.22).

In this regard, welfare sectors as social arrangements are constituted by the existing and established patterns of care and reflect people's particular versions of individual/family responsibility. In return, these versions create a particular moral order. In Finch's words, this moral order 'may or may not accord with what people actually feel is proper' (1989, p.8), however people tend to be constrained by the existing moral order. This has already been argued tacitly by Lukes in his analysis of power. It implies that people are constrained by the established moral order of social arrangements in their expectations about welfare. Therefore, it can be suggested that experiences in these welfare transactions have enabled an *accommodative response* to the existing divisions of care in the family and society. In contrast, these experiences of welfare transactions would have been more likely to put any *oppositional response* to the existing divisions of care on an uphill path for ideological hegemony.

The above theoretical analysis helps to explain the enormous difficulty of Thatcherism in wiping out 'those social values that have given sustenance to social democratic and socialist aspirations: belief in "fair shares" in income, wealth and taxation, support for the principle of free universal access to certain (if not all) welfare service...' (The Sheffield Group, 1989, p.30) even after a decade of its efforts in rolling back

the frontiers of the British welfare state. For instance, a MORI opinion poll in Britain revealed that 84 per cent of respondents thought that the gap between the rich and the poor was too wide (Sunday Times, 12, June 1988, also quoted in The Sheffield Group, 1989). It can be argued that daily experiences in welfare transactions of the state sector, such as the NHS, education, national insurance and so on provide the material base for such an ideological belief to continue despite the search for hegemony in the moral order by an opposing ideology. Nevertheless, we have to take into account that beliefs concerning welfare rights (e.g. welfare as a right, the belief of a more equal and fair society) can be undermined by the disillusion with the improper use of means by the state (Ringen, 1987, p.68). This implies that there is nothing wrong with the provision of state welfare as a right as a societal goal. However, the way it is carried out (i.e. in a bureaucratic and inefficient manner) can be an area for criticism and can be advanced by intellectuals on the right of the ideological spectrum who seize on this procedural problem of the welfare state to launch a 'scholastic programme' to compete for ideological hegemony in welfare.

Theoretically speaking the privatisation of the state sector becomes an important strategy to roll back the frontiers of the welfare state. This can undermine the social condition which gives rise and sustains the beliefs in state welfare created by transactions in the state sector. It is clear that experiences of welfare transactions in different welfare sectors in the provision of care help to promote the ideologies which underlie the sectors as 'natural' and 'taken for granted'. Welfare sector

transactions as a social condition have helped to create a moral order which tends to accommodate the preference of a divide in both welfare and caring responsibilities and weakens any oppositional challenge. Similarly, as an oppositional challenge, right wing critics of the welfare state can only criticize the expansion of state welfare. Their attempt is not to abolish a welfare state but is to revert it to a residual model. This suggests that the experience of state welfare as a right may have already established itself as a 'natural' and 'taken for grant' belief.

Several conclusions can be drawn from this section. First, welfare sectors have provided the social condition which gives rise to welfare ideology. Second, it is argued that ideology generated from daily experiences in welfare sectors has helped to perpetuate the hegemony of a moral order. Finally, the welfare mix has become the key issue related to the division between state and individual/family responsibility: the extent of redistribution in social resources which a state should take up in responding to welfare.

### **Ideology, Welfare Sectors and Social Structure**

Studies of traditional non-industrialised societies like the Mbuti Pygmies in the north-east Congo (Oakley, 1976) found that the separation between paid employment and domestic labour in family is an industrialized society's specific feature: 'the economic and social structure of traditional societies permits no clear distinction between labour which is publicly productive and labour which is domestic, performed in the home' (Oakley, 1976,

pp.10-11). This implies that the integration of domestic family life with productive work life does not provide the social context for the emergence of an external social force (e.g. the state to substitute the family and the kin's role in the care of dependants). In the Mbuti pygmies' case, dependants like infants may accompany their parents on the hunt or may be left in the camp to be looked after by youths or elderly people of either sex. However, industrialization has brought forth different social structures: population become concentrated in cities, more highly differentiated occupations and the specifically predominant feature of separating paid employment from family (as the home cannot accommodate the production machines, the factory system makes outworking as an insignificant part in industrial production). The predominant role of welfare within the domain of family and kin shifts to a welfare mix which includes charity, market and state.

This analysis presumes the working of two social processes in the emergence of welfare needs outside the domain of the family. The first is explained by the demand-based theories of state welfare (e.g. Flora and Alber, 1981; Rimlinger, 1971; Wilensky, 1975) which suggest that a government's welfare action is demand-driven by an industrialization process and social problems: the concentration of population in the cities and highly differentiated occupations provide ground for a readily mobilized political force for state welfare. The second presumption is the theory of family decline (McIntosh, 1984, p.206; Parsons et al., 1955; Smelser, 1965; Zaretsky, 1982, pp.188-9) which sees a process of transfer in functions from family to public institutions

due to the decline of family as an institution for meeting human needs of its members : family ceases to produce for all its livelihood as contrasts with non-industrialised societies where productive work life and domestic family life are not separated.

The essential argument of these theories is simply that industrialization induces state and other social institutions to substitute family in, at least, substantial parts of welfare provision. Basically, this is a functionalist approach which assumes changes in social structure bring about changes in function amongst social actors in welfare. Functionalism is severely limited as an explanation of change mainly because it does not take into account human intention and action. The key issue in these theories is the changes in family structures and functions related to the process of industrialization, and these processes lead to the emergence of state welfare. It has been assumed that, prior to industrialization, the majority of families are of the extended type, consisting of parents, children and grandparents or other kin. On one hand, industrialization has brought about the nuclear family as the main family structure. On the other hand, as paid employment and domestic labour have separated, families in modern industrialized societies require the external assistance from the welfare state.

However, research findings (Laslett, 1972a; Demos, 1970) have disproved the assumption that the extended family is associated with pre-industrialised societies. Based on parish records, legal documents and other documentary resources, these researches found out that prior to industrialization most people had lived in relatively small households - an average of being about 4.75

persons or a little under, from the sixteenth century until as late as 1901 in England (Laslett, 1972b, pp.125-6). The case in England was by no means an isolated phenomenon. In Vienna of the present Austria, an average household size was 4.68 in 1890, 4.4 in 1900 and 4.11 in 1910 (Mitterauer and Sieder, 1982, p.28). In China, since the Han Dynasty (B.C. 206 - A.D. 188) of two thousand years ago, the average family size has remained between four and six persons per household despite the Chinese ideal of an extended family (Yue, 1989, pp.13-17). Certainly not all, but most of these households corresponded roughly to nuclear families or 'primary family household of man, wife and children' (Laslett, 1972b, p.125).

While these findings suggest that the nuclear family as a social structure is not necessarily a modern and industrialized phenomenon, it may also be inferred that industrialization has not necessarily led to a nuclear family type. For instance, an official survey released in 1981 in Japan found that only 5.7 per cent of the over 60 years old were living alone, as compared with 41.3 in the U.S.A., 41.6 in Britain (Maruo, 1986, p.69). Industrialization and its concomitants are assumed to encourage the growth of nuclear family as the main family structure. However, the exception of Japan proves that it is unlikely to be correct.

If in pre-industrialised societies, families of nuclear type meet their welfare needs within their domestic domain, or in some occasion with the help of other kin and neighbours,<sup>1</sup> then there  
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1. A piece of research on the mid-nineteenth century Lancashire in England found that co-residing by other kin was the method to help in times of crisis; thus, transforming temporarily the nuclear type to an 'extended' family (Anderson, 1971).

will not be an urgent need for external formal social institutions to replace the care provided by nuclear families in industrialized societies. In this light, the functionalist approach has over-generalised and failed to explain adequately the changing patterns of meeting human needs by welfare sectors.

The above findings also suggest that, prior to the emergence of the state sector as one source of welfare, family and kin of the informal sector are the most important sources of care disregarding the size and structure of the family. Similarly, as an advanced industrialized society, Hong Kong's main family structure is the nuclear type (for example, nuclear families consisted of 59.2 per cent in Hong Kong in 1986 - Chapter 6, Table 6.15), as yet the state can assume a minimalist role and define welfare needs as mainly a family responsibility. In one authority's words, it is a policy of 'benign neglect' disguised in the terminology of stimulating self-help and manifested in the official encouragement of voluntary response to provide social services (Hodge, 1981, p.17).

Based on the above analysis, it can be argued that family structure is not necessarily a factor in determining how a state responds to the need for welfare. Therefore, it is important to look at alternative explanations. The diversity in state welfare amongst industrialized societies provides the clue for the alternative explanation. In Britain, Beveridge pointed to the importance of war in creating the consensus to the emergence of the British welfare state:

because war breeds national unity. It may be possible through a sense of national unity... to bring about changes which, when they are made, will be accepted on all hands as

advances, but which it might be difficult to make at other times. (Beveridge, 1942, para.460)

However, this war-induced national consensus about state welfare had been threatened when economic growth failed to fund the welfare state expenses without pain and opened way for the emergence of the Thatcherite conservatism into power. In this case, it was the breakdown of the consensus on welfare rather than in any structural change of family or of level of industrialization that affected the boundaries between welfare sectors.

In Sweden, the strong consensus on state welfare has been brought forth by the beliefs in paternalism towards the poor, Christian charity, economic advantage of welfare provision, plus the tradition in socialist ideals of liberty, equality, solidarity (Furniss and Tilton, 1977, p.127). Even the challenge from the right in the 1980s only amounted 'to the absence of expansion, but there has been no major retrenchment' (Olsson, 1987, p.78) in state welfare.

Wilensky and Lebeaux (1965) and Higgins (1981) explained the 'reluctant' welfare state of America as being the result of dominant values of individualism, private property and laissez-faire tradition, which have resulted in the state's preference for private and voluntary sectors.

In the case of East Asian Japan, the mighty economic success has not led it to support a benevolent welfare state. Instead, Japan is described as a 'family state' (Lee, 1987). This ideal of the family state depicts Japanese society

as a great family, stretching from the father Emperor at the top to the individual family below... In a very literal way the Emperor was described as the father of his subjects, and they as the Emperor's children. Industrialists regarded

themselves as the fathers of their employees. (Lee, 1987, p.246)

Unsurprisingly, the subjects at the bottom of this family state have to rely mainly upon their employers' benevolence and a paternalistic family welfare for meeting their human needs. In other words, this ideal of a family state is used to 'counterbalance the increasing demand of the state's responsibility for individual welfare' (Lee, 1987, p.246) in the name of a fine tradition.

Despite the fact that all these countries are advanced industrialized societies, they have responded to welfare differently in terms of the boundaries amongst welfare sectors in their welfare mixes. It seems that ideology plays a significant part in explaining the particular welfare mix found in each country. In other words, the functionalist approach gives an oversimplified view of changes in the division of care and welfare in society as well as within the family. These are indeed conflicts between opposing ideologies stemmed from interests embedded in the divisions of care and welfare because any shift in a welfare mix is likely to require a corresponding readjustment of the different roles assigned to different social actors in the welfare arena. For instance, if the Japanese and Hong Kong governments had not emphasized the importance of family in the caring and welfare responsibilities, then they would have found it difficult to resist pressures to inject more social resources to relieve the family and women from the burden of caring for dependants. In other words, a different ideological emphasis requires a different policy in the redistribution of resources. In this light, the family as 'a fine tradition' can be used as an excuse to fend off

competing claims from rival ideologies and enable a state to maintain its minimalist approach of welfare in a modern industrialized society of which it only looks for a guaranteed standard to eliminate destitution and individual misery. In sum, the family has become an idealized myth that stays as an ideological bulwark against competing claims.

Based on the above discussion, it can be argued that changes in social structure is a necessary condition for a state's welfare action, but, as yet, it is not sufficient. This generalization can explain the diverse patterns found in the mix of welfare sectors amongst industrialized societies. It supports the argument that a state may interpret the welfare implications of social structure differently according to its ideology. For instance, the Japanese government has idealized the structure of the extended family and the 'family' employers as capable of responding to welfare needs of its industrialized society. Whereas the colonial government in Hong Kong may have assumed families, whatever their structures, to be the primary welfare provider and the state will only assume its responsibility if the family fails or for those individuals without family.

In the above discussion, the welfare ideology of a state is perceived as being in a relatively autonomous state from social condition. Industrialization and family as social structures constitute necessary conditions for the emergence of state welfare, but they cannot explain adequately its variance between societies. Nevertheless, how far social conditions in industrialized societies determine a state's welfare action? This question is important because it addresses the issue of the relative

autonomy of welfare ideology from social condition. Putting the question in another way, can social condition be ignored in the discussion of state welfare ?

As ideology is a set of highly generalized global values and principles, it changes over time as a result of adjustments to a changing reality. For example, Thatcherite conservatism is a new strand of conservatism because it responds to the fall of capital accumulation and regards cuts in state welfare as being able to solve the perceived problems of the state. However, the Thatcher government never did roll back the state : the tax burden as a proportion of gross domestic product increased from 34.75 per cent in 1979 to 37.75 per cent in 1991; the tax burden for a married couple with two children increased from 35.2 to 36.6 per cent of average earnings over the same period (New Statesman and Society, 5/7/1991). Margaret Thatcher's successor, John Major, responded to the similar economic and social conditions of Britain but reacted differently from his mentor. In one authority's words, the Major's plans for a 'Citizen's Charter' is hardly something cast in the Thatcherite mould (New Statesman and Society, 5/7/1991). This can be indicative of the idea that even though social condition cannot be totally ignored because it poses certain structural constraints on ideology, however social actors can react with a variety of ways.

The discussion earlier concerning Mbuti Pygmies as a traditional society illustrates the lack of social condition for state welfare. The family system can be a self-reliant unit which combines production and consumption within the household. On the contrary, the separation of paid productive work from home as the

main feature in modern industrialized societies has created the need to consume welfare outside the home. The modes of production in industrialised societies require an occupational differentiation and a concentration of population in urban settings for a mass scale specialized production. Under these new social conditions, the family finds itself in need of consuming welfare outside its domain. For instance, the new social conditions of industrialised societies requires the maintenance of a labour force with different standard levels of knowledge and skills for the production system which the family can hardly produce in such an uniform and organised manner (Offe, 1984, pp.92-100; Gough, 1979, pp.34-36). The state and other social institutions, as external forces to the family, come into the picture and fill the need required by the production system.

It is clear that a welfare state requires the concentration of social resources in the hands of the state by means of taxation as for redistribution. This kind of redistributive function of a welfare state in the maintenance of basic social structure and for the alleviation of destitution and poverty seems beyond dispute. Even neo-liberal theorists like Hayek (1960, p.303) and Friedman (1982) or Thatcherite conservatives, accept a minimum provision of welfare in general. Even in a society like Hong Kong where the government rejects the introduction of a 'western-style welfare state', it has to 'accept an obligation to assist their members to overcome personal and social problems... and recognize a responsibility to help their disadvantaged members to attain an acceptable standard of living' (Hong Kong Government, 1990, p.11). However, welfare beyond 'a weak interpretation of the

redistributive goal' (Ringen, 1987, pp.8-12) provokes disputes.

To conclude, it can be argued that the separation of publicly productive work from domestic labour as a social feature of industrialised societies requires state welfare to be provided outside the domain of family. However, how a state defines its role is likely to be affected by its welfare ideology.

### **Whose Loss In a Different Welfare Mix ?**

In a traditional society like the Mbuti Pygmies in Africa, there is an integration of publicly productive work and domestic labour, as well as an undifferentiated caring role between genders. Inferred from this case, childbearing is a biological constraint on women but it does not necessarily imply that childrearing should be exclusively a wifely job. Childrearing in the Mbuti Pygmies' society is a family shared function. It is not gender-based, but there is a division of labour by age. However, in industrialized societies, the separation of paid employment from home creates two possible options as ideal types for childrearing. Option One - the socialisation of childcare outside the home can free both parents to work; Option Two - no childcare provision outside the home, then the caring duty will be taken by either the parent or other kin. In Option One, gender equality in theory is more likely because childcare is institutionalized. However, in terms of Option Two, if household care is non-monetized even though it is essential for 'the inter-generational existence of workforce' (Papadakis and Taylor-Gooby, 1987, p.15) and 'the care of the sick and elderly' (Finch, 1989, p.11),

whoever takes up these functions will be likely to depend on the other partner who has monetized work outside home. Oakley's study 'housewife' found that the role of women as housewives was 'created and maintained' in the mid-nineteenth century Britain (Oakley, 1976, p.47) which turned them into dependants on men. This implies that Option Two is not necessarily a natural development, but it is the result of a triumph of the ideology of feminine domesticity (Oakley, 1976, p.47) over the domestic division of labour within the family during the process of industrialisation.

When women enter the labour market under Option Two, they are under more disadvantageous conditions than their male partners. Firstly, the childbearing and childrearing periods will deprive them of chances in career development due to the loss in experiences and training opportunities during their absence. Secondly, when they enter the labour market, they are likely to work on a part-time basis or take up jobs which are low skilled because of the first reason, and their continuous duties as housewives and carers for their children, their sick and their elderly family members.

As Option Two is a common phenomenon amongst industrialised societies, therefore, there is always a tendency induced by the drive for gender equality to move into Option One: that the state should intervene and relieve women from their domestic role. In doing so, the state has to increase its role in the redistribution of social resources which in turn enables it to provide or finance the institutionalization of care and redefine the boundaries amongst welfare sectors. Hence the sexual division of

labour within the household is basically an issue *without* the household, it is an issue of a state's redistributive function. The case is also applicable to any shift in the welfare mix which implies a corresponding shift in the redistribution of social resources in a society.

If Option Two is maintained, it is certain that women as housewives and carers of dependants at home will be the losers. Research evidence in Britain on childcare revealed that care for children continued to have a major impact on women's employment opportunities. The 1980 'Women and Employment Survey' (Martin and Roberts, 1984), based on a *lifetime* perspective, found that before childbirth, only 18 per cent of working mothers had experienced downward occupational mobility when they changed jobs, while 37 per cent of working mothers had lowered occupational scale than their previous job when they returned to work after childbirth. Only 49 per cent of these mothers after their childbirth found a job which was of the same occupational status. Much of the downward movement was associated with mothers entering into employment as part-timers.

Based on this lifetime perspective, another piece of research in Britain estimated that a 'typical' woman having two children in her late 20s has 9 years less full-time employment than a woman who has no children, but 2.8 years more part-time employment in a lifetime. When comparing to a man, 'then net loss of paid work would be even greater; indeed for men, whether or not they have children makes little difference to their lifetime employment' (Joshi, in Moss, 1988, p.21). In terms of financial loss of this 'typical' woman, only 40 per cent had been due to

lost earnings while out of employment. The remaining losses were due to low-pay after resuming work and the loss of work experience while out of the labor force (Joshi,1988, p.22).

In a study of woman employees in a major British bank, it was found that young woman employees were actively discouraged from career development because of the fear that their present and future children would interfere with their job (Crompton and Jones, 1984). Based on the above evidence about women's employment opportunities, it can be inferred that gender equality is not purely determined by market forces, it is greatly affected by the unequal distribution of caring responsibility within the family.

In the caring of other dependants, research evidence from Britain also documented the fact that women bear a disproportionate responsibility. For instance, Townsend's study of the family of old people in the 1950s in London found that the family system of care was actually organised around female relatives, particularly daughters (Townsend, 1961, pp.60-1). A 1968 national survey of the handicapped showed that only 5 per cent of the very severely handicapped persons lived alone, just under half lived with their spouses, one third with their children and the remainder with brothers, sisters or others (Harris, 1971). An Equal Opportunities Commission (EOC) postal survey in 1978 also found that 'three times as many women' were looking after elderly or handicapped relatives, and their average caring period was six and a half years, the longest was more than 25 years (EOC, 1980, p.14). A study released in 1980 on 'care attendant schemes' revealed that daughters, mothers, sisters and daughters-in-law

composed of the great majority of carers (Bristow, 1980, p.56 as quoted in EOC, 1982). At last, another survey on care for the elderly conducted between 1982 and 1983 in Sheffield also found that it was the female kin who carried out the bulk of caring and tending (Qureshi and Walker, 1989, Chapter 5).

In assessing the impact of caring on women's economic and social activities, the EOC came to a view that

women bear a disproportionate responsibility for caring and that married women in particular suffer from the assumption that they would not be normally employed outside the home anyway; for them caring is deemed to be a wifely duty (EOC, 1982, p.1).

This 'disproportionate responsibility for caring' can mean damages to the physical and mental health of the carers. For instance, the 1978 EOC survey on carers' experience for the elderly and handicapped dependants also found out that bad backs and bad legs were the most common complaints brought on by heavy lifting. Carers in this study also complained of psychological pressures such as 'stress', 'tension' and 'nerves' they suffered, and 'many felt that these complaints had been precipitated by the constant stress which they were living' (EOC, 1980, p.29). In this regard, the emphasis on family care in the welfare mix, for example the 'family state' of Japan (considering that only 5.7 per cent of the Japanese elderly were living alone - Maruo, 1986, p.69), may mean a heavy burden on women particularly married women.

The above evidence reveals the often miserable experiences women have in modern industrialised societies where domestic work is still ideologically constructed as a wifely or female duty.

In this light, men are less likely to take up the caring responsibility. For instance, a report to the European Commission found that, among member states of the European Communities,

fathers may have increased their involvement in domestic work in recent years, but this increase has not been large, and still leaves women doing most of the work, both routine and irregular (for example, caring for sick children) (Moss, 1988, p.25).

As care is ideologically constructed as a domestic affair, governments are likely to disregard it. For one example, when the British government refused to allow for any assistance to working parents through tax deductions or allowances, the responsible minister argued that

to allow a deduction for all childcare costs would break with the principle that *items of personal expenditure do not qualify for relief* and could be very expensive (Patten, as quoted in Cohen, 1988, p.18 emphasis added).

As a brief summary of the above arguments, it is clear that the total amount of welfare produced in a society can be similar in different welfare mixes; however, if the carer's perspective has been taken into account, a different division in a welfare mix will mean enormously different things for carers, particularly married women who are likely to take a 'disproportionate responsibility of care'. Therefore, in the discussion of the production of welfare, '*who loses and who gains*' is an important dimension which can enable us to understand the divides of care as well as the implications on carers. It is clear that a quantitative and instrumental approach of welfare mix is likely to neglect the carers' view and their often miserable experiences.

## **Towards A Theory of the Ideological Production of Welfare**

From the above analysis a theory of the production of welfare can be generalised that

*A transaction in welfare is not only a transaction between material goods and services, but it also includes a transaction of a welfare sector's ideology.*

Welfare production has involved the production of values and beliefs which help to maintain and perpetuate people's perception of their relationships with the surrounding social actors in welfare : the state, family members, kin, neighbours, markets and voluntary organisations. In other words, the ideological production of welfare points to the most important issue of a welfare state, i.e. its redistributive function. If the ideological production of welfare in a welfare mix can help to sustain the hegemony of a moral order that the fulfillment of welfare needs is an individual's or the family's responsibility, the role of the state will be minimized to a level serving only those people without family or those who cannot help themselves. This implies that, the form of a welfare mix reflects the extent of a society's resources redistribution and the dominant underlying values and beliefs of that particular society about welfare.

It is also important to notice that a welfare sector's transaction of ideology is openly non-coercive as similar to the non-coercive subtraction of surplus value in the capitalist mode of production (Gough, 1979). In this light, the production of welfare ideologies is very likely to be regarded as a matter of 'fact' and 'natural', thus the social, psychological and economic implications for welfare actors are also taken for granted.

Therefore, the hegemony of a particular ideology rests on welfare sectors as mediums for its reproduction in people's everyday transactions.

As a summary of the above discussion, a theory of the ideological production of welfare can have the following propositions :

1. *The production of welfare also carries the transaction of values and beliefs which is likely to affect the divisions of welfare responsibility between the state and individuals/the family, as well as within the family.*
2. *This transaction of ideologies is at least openly non-coercive, and thus it has turned the social, psychological and economic implications of the division in welfare on users and carers as 'natural' and 'a matter of fact'.*
3. *Therefore, a shift in a welfare mix reflects a shift in a preference for the extent of a society's redistribution of social resources and the divisions of care in society and within the family.*

This theory of the ideological production of welfare runs counter to the instrumental theories of the mixed economy of welfare (Judge, 1987; Rose, 1986; Rose and Shiratori, 1986; Gladstone, 1979; Hadley and Hatch, 1981; Hatch, 1980) which hypothesize the comparative advantages of the voluntary sector or the private sector over the state, or point to the comparative advantages of each welfare sector over the other (for example, Rose, 1986, p.24). In summary, these theories have proposed that :

1. *The state sector is administratively inefficient as compared with the private sector, for example, Judge (1987).*
2. *The state sector is less efficient, more bureaucratic, less innovative than the voluntary sector, for example, Gladstone (1979), Hadley and Hatch (1981).*
3. *Welfare sectors have comparative advantages over each other, for example, Rose (1986), Rose and Shiratori (1986).*

Based on these propositions, these theories have recommended a shift of the welfare mix in favour of non-statutory sectors. For example, Hatch argues that 'the state is to provide a framework, but not to care directly for everyone from the cradle to the grave or to respond itself to every personal problems that emerges' (Hatch, 1980, p.149). Similarly, Judge also urges 'that the central responsibility of the state is to establish an institutional framework within which all citizens are autonomous and free to pursue their individual visions of the good life' (Judge, 1987, p.28), so that the state could free itself from the role of a provider but use its regulating and financing roles to 'enable' other welfare sectors. Similarly, Rose and Shiratori (1986) see the use of non-monetized form of welfare can relieve the welfare state's fiscal crisis and end up in an unchanged state of total welfare for a society because the reduction of the state sector can be compensated by the advance in household's welfare production.

These theories and proposals have three main problems. Firstly, they tend to regard the reality of a welfare mix as the ready-made prescriptive solution to the ideological issue of distributive justice in a welfare state. It is commonly recognised that everyone's welfare depends on some balance between contribution of individual effort, family cohesiveness and the state's social services (Jordan, 1987, p.15). However, the emphasis of this balance is not a neutral issue. The above discussion on the issue of 'who loses and who gains' has indicated the often miserable social, physical and economic implications for social

actors, especially women and the disadvantaged, in a different welfare mix. It is clear that the instrumental theories have lacked a human dimension because the carer's perspective and experiences are absent in their account.

Secondly, the comparative advantages of non-statutory sectors are not well substantiated. For instance, Judge recently claimed that 'the private sector is more [cost] efficient' in the production of long term care elderly homes in England (Judge, 1987, p.30). However, his findings in an earlier article ran contrary to the above claim and identified the greater efficiency in private elderly homes in his study as due to 'a function of small size, rather than of public or private location' (Judge and Knapp, 1985). In other words, it may be due to the marginality of these private structures - they are relatively small in the total package of provision, therefore, if they are to replace the state sector, there is a risk that they will reproduce the alleged weaknesses of today's state sector : rigidity, unresponsiveness and high cost (O'Higgins, 1989; Brenton, 1985). In reality, even though solid empirical evidence confirms, that public welfare is lower in productivity, as yet 'one explanation can be excluded, namely that public production is necessarily inefficient because it is public' (Ringen, 1987, p.100). The reason is simple 'because there are very considerable differences between public agencies ... and in some cases productivity has been found to rise' (Ringen 1987). It can be concluded that 'most empirical research shows that efficiency differences are bigger *within* sectors than between them' (Knapp, 1989, p.238). This implies that productivity is not related to sectoral difference.

Thirdly, welfare sectors are not simply things, they embody sets of social relations. Any shift in a welfare mix may involve a restructuring of social relations between sectors or within sectors. For instance, the state sector reduces its provider's role by privatising part of its function. This may change the status of service recipients from users of statutory service to consumers of the market. In this light, the less educated and vulnerable groups may be affected and stigmatised because the well-off are very likely to top up their purchasing power and convert welfare into a two-tier system. In this case, the change in social relation (from user to consumer) due to the state's privatisation policy will reduce an individual's right and benefit to service if unprotected. Therefore, the state may not decrease its subsidy for services, yet the 'expansion of the private sector' can imply a redistribution 'from the lowest social groups to higher social groups and to damage services for [the deprived groups, for example,] women' (Papadakis and Taylor-Gooby, 1987, p.37).

### **The Paradox of Contracting-Out**

After discussing the problems associated with the instrumental theories of the welfare mix, the policy implications of the theory of the ideological production of welfare will be discussed in this section. Firstly, this theory reminds us that transactions in welfare are not only concerned with goods and services but also ideological meanings. As the transaction of ideology is at least not openly coercive, then the often miserable experiences of caring divisions are more easily accepted as parts of

the carers' duties and responsibilities because they are 'natural' and 'a matter of fact'. It was argued in the above section that this theory is more sensitive to the shift of boundaries between welfare sectors and on the divisions of labour within the family. This conceptualization of welfare mix puts us on an approach to welfare which is aligned to the feelings and needs of those affected. Therefore, a theory of the ideological production of welfare is more likely to come closer to a sensitive policy on welfare mix in particular and welfare in general.

Secondly, if production advantages are not explained by sectoral difference, then the focus will be on common features which lead to efficiency, cost effectiveness and innovation. For example, the following questions should be asked: what is the optimal size for an elderly people's home? What is the extent of autonomy front line providers should have in order to have a better balance between control and innovation?

Thirdly, sectoral difference can play a significant part in the design of a welfare mix but from a different perspective. A theory of the ideological production of welfare can be further generalized that the organizational features of a welfare sector is related to its ideological assumptions. For instance, the bureaucratic tendency of the state sector can be explained by the drive of statutory services to maintain equality. As they are a service accountable to the public and assumed to be fair to all, a state's bureau-professionals are likely to devise rules and regulations that can ensure fairness of treatment to the users at every level. Thus, workers in the state sector tend to stick to rules as a safeguard against internal as well as external checks.

Consequently it implies that, in the long run, workers of the state sector may regard innovation as having the potential of making mistakes. In other words, stability would be more valued than innovation and change in a bureaucracy. However, innovation and flexibility have not been absent in the state sector, these can be explained by the relative autonomy of bureau-professional in an organic environment (Burns and Stalker, 1961). Nevertheless, ideological constraint is very likely related to how workers in different sectors interpret subjectively their 'proper' attitude and behaviour in work.

Based on the above argument, if the state is to contract-out its services, the state sector's underlying ideological constraint will be very likely to transmit to the contracted non-statutory sectors. For example, a well coordinated contracted voluntary sector service can rectify the shortcoming of uneven distribution of provisions of the voluntary sector. However, this advantage of equal distribution in provisions is likely to be offset by emerging disadvantages. Because of this ideological drive to equality, the state is likely to develop a system of coordination of which any over-lapping of services is to be trimmed off. At the same time, this coordination will also constrain the flexibility of voluntary agencies to meet their perceived emerging needs if they have adapted to rely upon the state as the main source of finance. Furthermore, as the state has to be accountable to tax payers, there is likely to be an inbuilt tendency for it to attach guidelines in its contracting-out services. In the course of time, these guidelines tend to become more specific and in a greater detail. In other words, if the

state sector is to be replaced by non-statutory sectors, the latter will, in due course, carry the same ideological constraints which previously belong only to the state. This is why the contracted voluntary sector for social services in the Netherlands has been criticized as being bureaucratic and inflexible (see for example, Brenton, 1982, 1985).

As the organizational features of welfare sectors are related to their ideological assumptions, the paradox of privatisation (for examples of the paradox in contracting-out, see Knapp, 1989) will be obvious only if the state does not transmit to the contracted sector specific conditions related to its ideological assumptions. In this case, however, the public may query the wisdom of the state in its act of contracting-out and question the contracted sector's probable 'misuse' of public funding.

In concluding this section, it can be generalized that the ideological approach seems to be more sensitive to implications about issues of social equality and the sexual division of care of which a shift in a welfare mix may indicate. Further, if a welfare sector's organizational features are related to its ideological assumptions, the assumed advantages of contracting-out will probably run out of steam in the long run. In this light, it may be more worthwhile to look at organizational factors which are contributory to production efficiency. Therefore, great importance should be given to the thesis of the relative autonomy of bureau-professionals because a constantly changing environment in the production of welfare provides the ground for discretion. This offers the chance for a genuine mix which can combine ideological consideration, for example, regarding social

services as a strategy for social equalities, and production efficiency. As research findings have documented that variations exist within the state sector in terms of production efficiency, this suggests that such a mix can be possible without sacrificing ideological considerations.

## **Wider Changes Within Capitalism And The Ideological Approach**

The slow economic growth triggered by the world oil crisis in the early 1970s can be treated as a turning point for welfare states. Slow economic growth or recessions mean the funding of the welfare state out of the 'growth dividend' cannot be sustained. This economic phenomenon has triggered-off a return in some countries to the residual approach towards welfare state in the aim to maintain capital accumulation. This is not only the background of the 'crisis' of the welfare state, but it is also the beginning of a new epoch which depicts a more 'flexible' approach of capital towards accumulation. This new approach rests on 'the flexibility with respect to labour processes, labour markets, products and patterns of consumption' (Harvey, 1989, p.147) as against the rigidities of the postwar Fordist mode of capitalist production and consumption (the rigidity of long term and large-scale fixed capital investments in mass-production systems; the rigidities in labour markets, labour allocation, and in labour contracts especially in sectors with strong organized labour movements; and the rigidities of state commitments which have become more serious as entitlement programmes - Harvey, 1989, p.142).

These developments are likely to have profound effects on welfare states. The transition to the 'flexible accumulation' brings about two important economic conditions in capitalism, one is the internationalization of the economy and the other is post-Fordism as a mode of organizing production and consumption (The Sheffield Group, 1989; Hall, 1989; Murray, 1989; Held, 1989; Urry, 1989). These two conditions can be briefly explained in the following by the drive of capital to seek continued increase in its accumulation.

It is argued that this drive for accumulation can only be realized by the internationalized use of capital across national borders, the re-organisation of production and consumption patterns for cost reduction as well as the creation of consumption capacity. The above strategies of capital are facilitated by new technologies in mass communications and transportations which can cut across national boundaries and facilitate the development of multi-national companies to globalise their production on a world scale in order to take advantages, for example, of different wages and strike rate (Urry, 1989, pp.97-99). In other words, capital has become internationalized and treated individual countries as convenient locations to its division of labour in a global production. In this light, the breakdown of national boundaries to international capital has imposed a constraint on national governments on their control of economic and social policies. For instance, the breakdown of all foreign exchange controls in 1977-79 in Britain signaled an inter-dependence of economies, as well as the power and reach of multi-national companies (The Sheffield Group, 1989, p.17). The October Stock

Market Crash in 1987 over the world is another vivid example of the globalization of economic relationships. More fundamentally in economic policy is 'the transition from a Keynesian to a monetarist perspective' (The Sheffield Group, 1989) in economic management because the former can make most sense when economies are relatively closed. In social policy, the search for comparative advantages by international capital may impose a constraint on national governments because occupational welfare can be regarded by them as a production cost and detrimental to their profit margin. For example, the emergence of a complex international division of labour means a shift of 'some routine, monotonous and dangerous work to countries in which it can be carried out all too often without political regulation and trade-union challenge' (Held, 1989, pp.192-193). The transfer of capital from developed countries like Britain and the United States to the developing Third World countries is an example of this. Certainly, some countries will experience a stronger impact of this internationalization of capital if their governments have opened their economies earlier and in a greater extent. For example, Hong Kong is more vulnerable than Singapore and Taiwan to international capital because its government has adopted a laissez-faire economic policy. Similarly, capital from Hong Kong has been more ready than the latter two countries to internationalize itself, Hong Kong's enormous investment in southern regions of China is a typical example.

The emergence of post-Fordism also carries significant social and economic implications. Post-Fordism, as described by Held (1989, 9.117) is 'a broad term, suggesting a whole new epoch

distinct from the era of mass production, with its standardized products, concentration of capital and its "Taylorist" forms of work organization and discipline'. Murray (1989, pp.44-48) speaks of two main features of post-Fordism : the first is the shift to segmentation of market by retailers because the fall of profit in mass produced products. Segmentation of market at the point of consumption means a shift from the Fordist economies of scale in production to the post-Fordist economies of scale in consumption. This shift can only be enabled by the new pluralism in product design and a new importance on innovation and change to suit different segments of market. Clearly, the popularization of mass media especially television in the creation of consumption demands is necessary for such a segmentation in which cultural pluralism is a prerequisite. Certainly, societies differ enormously in this aspect.

The second feature of post-Fordism is the 'Japanisation' in production. Murray (1989, pp.45-48) illustrates this by the production innovation of a Japanese car manufacturer, Toyota, of its development of a core of multi-skilled workers whose tasks, as contrary to the 'Taylorist' deskilling requirement in mass production assembly line, are not only to manufacture and carry out maintenance, but to improve products and processes under their control (e.g. by the management method of 'quality circles'). In other words, in order to develop products suitable for the segmented markets which stress pluralism, the production line has to be re-organised to a pattern corresponding to the economies of consumption (i.e. products for different segments are somewhat tailor-made with shorter product circles).

Certainly, the Fordist mass production mode is still working alongside the post-Fordist mode. However, due to their higher wages and tougher labour regulations, developed economies have a pressure to globalise their divisions of production to less developed countries for the Fordist type mass production. The social implications of the post-Fordist mode of production are clear - a core group of multi-skilled workers, with better job security and occupational welfare whereas in its periphery is a group of low paid, fragmented and contracted workers (similarly, in international level, the peripheral work is contracted-out to less developed countries). Henceforth, a divide has been intensified in the workforce which also signals the decline in mass-based trade unions (Murray, 1989, p.46) because organized labour depends very much on the massing of workforce within the factory for its viability. The other implication is the increase of a marginal workforce underpaid and probably having inadequate welfare outside work. Nevertheless, a dual labour market has been present for a long time under Fordism because even under this mode of production, large corporations can rest upon a non-Fordist base of sub-contracting (Harvey, 1989. p.138) and use it as a buffer to protect them from market fluctuations. This dual labour market, consists of a 'monopoly sector' and a 'competitive sector' (O'Connor, 1973) in which workers in the latter are far from privileged. It seems that this post-Fordist mode of 'flexible accumulation' requires a more intensified 'flexible labour market' so that the workforce can respond flexibly to market changes. For example, 'flexible' workers such as part-timers and temporary workers had increased by 16 per cent to 8.1

million between 1981 and 1985 while permanent jobs of the 'core' decreased by 6 per cent to 15.6 million in Britain (Financial times, 27, February, 1987 as quoted in Harvey, 1989, p.152).

Under these economic and social changes in capitalism, the social policies of national governments would be under greater pressures than before. This is because governments under a dual labour market situation have to take care of the under-paid whilst persuading the privileged core to support a redistributive policy in an increasingly fragmented and pluralistic society in which solidarity is less treasured. One suggestion by Murray, (1989, p.49) is to build 'bridges across the divide, with trade unions representing core workers using their power to extend benefits to all'. Similarly, his suggestion to the national governments is to 'put a floor under the labour market, and remove the discriminations faced by the low-paid' (Murray, 1989, p.49).

These recommendations are not without problems. Firstly, international capital may threaten to move out if it has found the rise in occupational welfare cannot be compensated by productivity improvements. Secondly, there is a likelihood of tax-resentment when a shrinking labour force of core workers is compelled to shoulder the transfers of social resources, especially these transfers are for the less productive or non-productive sectors of society (Espin-Anderson, 1990, p.228). Thirdly, the presence of a strong ideological consensus to support such an action by a united coalition between social and state forces in dealing with international capital is required. In societies like Sweden and Germany which have a stronger ideological consensus on welfare

and welfare state (as exemplified by the solidaristic labour movement in German, see Murray, 1989, p.49 or in Sweden, Gough, Doyal et al., 1989, p.263), the challenge from the Right may be offset. However, in societies like Britain and Hong Kong, which have a tradition of economic-oriented social policy, the foundation of these 'bridges' may require a more solid base to work on. Otherwise, there may be a surge of antagonistic and discriminatory behaviour and attitude towards the minorities and the poor as welfare scroungers or undeserving poor.

Under these economic and social conditions, a strong ideological consensus on the welfare state is important for counteracting the probable welfare retrenchment which has been triggered by the growth of international capital and the increasing post-Fordist mode in production and consumption. However, such an ideological consensus may not be easy to attain because rival ideologies operate on different value assumptions about welfare. It is also for this reason that the battle on the ideological front is extremely important since given similar social conditions different societies can respond to welfare in a great variety of ways. Therefore, as external economic and social conditions are not optimistic, so, a popular support for the welfare state's underlying values and beliefs is a prerequisite for the defence or advance of any redistributive policy.

### **Towards An Integrative Strategy**

The thesis of this study aims to tackle the research question : why different societies have different welfare mixes ? It

began by hypothesizing that ideology can explain a state's preference for a particular welfare mix. In testing this hypothesis, child daycare policies of Britain and Hong Kong have been used as the data for analysis. This analysis suggests that state ideology is a fairly strong explanatory variable in these case studies. However, ideology as an explanatory variable is constrained by three intervening variables. These are the interplay between opposing ideologies, the flexibility of ideology due to its adjustment to a constantly changing reality and the third one is the relative autonomy of bureau-professionals. While the first two of these intervening variables are related to ideology, the third one is not. The constraint of these three intervening variables on the independent variable reflects two issues of concern. The first is the relationship between ideology and social condition, or between the base and superstructure in Marxist terms. The second addresses the role of bureau-professionals in welfare production.

In working on the first issue, this chapter began with a discussion of the relationship between social condition and ideology, and a fundamental question was asked : Is the response to welfare defined by social condition? The answer given by this thesis is affirmative. It has been argued that social condition is the necessary and constraining factor, on top of it, societies vary in their response to welfare. Ideology seems to provide an attractive answer to explain this variance in welfare responses between societies. Admittedly, this thesis is taking a 'middle-of-the-road' stand : between the social determination of ideas found in orthodox Marxism and the idealism traced in Heg-

el's 'Absolute Spirit' (McLellan, 1986, pp.81-82).

The reason behind the flexibility of ideology is its interplay with social condition which provides the nutrition for its adjustment to a new social reality. In this light, ideology cannot be separated from reality, it can be regarded in some sense as being part of the reality. In Gramsci's conception, the dichotomy between idealism and materialism, subject and object, or determinism and voluntarism is shallow and misleading, because both polarities will be fused (or be actually transcended) if it is a viable theory (Boggs, 1976, p.22). This indicates that reality does not exist on its own, in and for itself (Boggs, 1976, p.27), it is part of the creation of human interaction. In this light, the dichotomy between these two polarities has to be transcended in order to realize the potential creativity and limitations of human action. The failure of doing so may produce a vulnerable position as in the American empiricist tradition which once proclaimed an 'end of ideology' (Bell, 1960). However, in actual fact, in one American historian's words, 'it has been our fate as a nation not to have ideologies but to be one' (Hofstadter, as quoted in McLellan, 1986, p.82). Nevertheless, in our daily discussion or in theoretical discourse, the separate identity between ideology and social condition can facilitate discussion. It seems that the polarized use of these two concepts in discussion or theoretical discourse is also one source of distortion of their relationship.

Therefore, the study of ideology is a good starting point in understanding social policy because facts, as part of social condition, can be interpreted for different ideological purposes.

For example, the lack of child daycare provision can be interpreted by conservatives as a remedy to 'family decline' because mothers are not encouraged by the provision to leave home for employment. The proponents of this idea believe that the irreplaceable maternal care can provide the necessary psychological attachment for children. The facts of the social, economic and psychological implications for non-working or working mothers, as discussed in this chapter, are ignored because 'working mother' has been ideologically interpreted as morally unacceptable. Henceforth, facts about working mothers and their needs for childcare are not strictly 'facts'. So, it is precisely this belief on working mother that is most 'material' in its capacity to inspire people towards action. Therefore, it is necessary to understand ideology in order to be critical of it and able 'to adopt a self-reflexive attitude towards its own premises' (McLellan, 1986, p.83). So, the study of ideology can be regarded as a demystifying effort in understanding reality where ideology draws its nutrition.

If the study of ideology can help in developing a critical view of its premises, this approach to social policy will pave the way for the understanding of the second issue : the role of bureau-professionals in the production of welfare. The instrumental theories of welfare mix have suggested that welfare sectors are better or worse in one or other aspects in the production of welfare. In contrast, the ideological approach has argued that sectoral differences can be explained by the sector's ideological assumptions. The latter is indeed an integrative approach which can duly emphasize the importance of ideology as well as the

context of welfare production. In this approach, the role of bureau-professionals can come into the analysis in its proper position and not be exaggerated out of proportion. For instance, the study focus may be the creation of an authority structure which allows bureau-professionals to exercise autonomy in decision-making to produce efficiently without undue sacrifice of organizational principles. Hence, the ideological approach in social policy can offer a good starting point in theorizing social issues and in formulating a well-balanced strategy that can integrate ideology and social condition.

This integrative strategy towards welfare mix in particular or welfare in general draws its theoretical nutrition from Gramsci's analysis of two types of political control in capitalism : the functions of domination (direct physical coercion) and the hegemony of ideology (Boggs, 1976, p.38). This implies that, both the material and ideological fronts of control/production have to be looked into. Correspondingly in the study of welfare mix, even if it is an 'optimal balance' of the mixture of production by welfare sectors as advocated in the 'strategic approach' (O'Higgins, 1989), the ideological dimension will be left untouched, if we only look at the material side of welfare production. In this sense, the established social relations within the family and in society together with their ideological assumptions, even if they are unfair, will not be theoretically recognized.

To conclude, the integrative strategy which draws its theoretical source from a theory of the ideological production of welfare can duly recognize the importance of ideology in maintaining social relations in society as well as the social context

which these social relations underlie. Therefore, this dual focus as a welfare strategy would be more effective in addressing the fundamental issue of the welfare state: the state's redistributive impact on the divisions of care and welfare in society as well as within the family.

### **Concluding Remarks on Cross-societal Generalisations**

An important advantage of a comparative approach in the study of social policy is to increase our awareness of policy options from the experiences of other countries (Finer, 1974, p.16; Higgins, 1981, p.13; Marlow, 1991, p.295). This is rather like the idea of shopping around for ideas internationally even when lessons are ambiguous. However, comparative studies do have their problems. The usual critique of comparative analysis, as stated by Finer (1974, p.16), is that 'no foreign programme is so simple or so isolated from its national context as to commend itself for direct importation into another country'. This implies that policy options are *contextual* : one cannot separate social policies from their specific social, economic, political, and cultural contexts to which they belong.

In this light, the use of the case study approach seems to be a viable option because it can 'force one to think hard about the context within which any social policy is developed and implemented' (Rodgers, Doron and Jones, 1979, p.4). Some writers even suggest that case studies are the best, if not the only way of conveying some sense of a country's unity and 'peculiar self-identity', without which its institutions may well be misunder-

stood (Rodgers, Doron and Jones, 1979). However, as the findings from case studies are so peculiar to their social and cultural contexts, their validity would be doubtful if they are generalized to other societies.

Admittedly case studies have a weakness with respect to providing convincing confirmation of hypotheses: the limited size of that category of phenomena under study is this method's first problem; whereas its second problem is that findings of cases are often not clear cut enough to accord with expectations of the hypotheses. Nevertheless, as argued by Parker (1975, p.16),

case studies, used systematically, have a certain heuristic merit ... the method is as effective as other approaches in suggesting general propositions about how policy develops. Indeed, it may have the particular virtue that because such propositions emerge from the close examination of actual examples, they are likely to prompt good middle-range theorizing.

Due to the time and resource limitations of the researcher, this study has been confined only to two case studies of Britain and Hong Kong. As theoretical generalisation was emphasized in this methodology, no specific policy options have been recommended in this concluding chapter. This approach is consistent with the preceding discussion of the inseparability of social policy from its embedded context. It is therefore not the intention of this study to generalize policy options from the case studies to other welfare states; instead theoretical generalisations in this chapter can be used to formulate hypotheses for cross-societal studies. Besides, the main objective of this research is to illustrate the *potential* of welfare ideologies in explaining and predicting social policy rather than to achieve a vigorous empir-

ical test for completed results.

## Conclusion

This chapter started with a brief summary of the findings and conclusions of the preceding chapters. Some theoretical and policy implications were inferred from these. In essence, we have addressed the issue of how welfare sector relates to the dichotomy between ideology and social condition. It was argued that welfare sector acts as the social condition which gives rise to welfare ideology. It was also argued that welfare ideology generated from daily experiences in welfare sectors has perpetuated the hegemony of a moral order. And this moral order would help to create a preference of a division in welfare and caring responsibilities and weaken oppositional challenges.

Using the Mbuti Pygmies as a contrasting illustration with industrialized societies, it was inferred that despite changes in social structures of the latter, the variance in response to welfare amongst states reflected their different welfare ideologies. Based on well-documented research evidence, it was also argued that a quantitative and instrumental approach towards welfare mix is likely to neglect carers' perspective and their often miserable experiences in societies where domestic work is ideologically constructed as a female or wifely duty. A theory of the ideological production of welfare was generalized from these analyses as a contrast with the instrumental approach of welfare mix. A brief view of the wider changes within capitalism had put the discussion of the policy implications of the theory into a relevant context. Henceforth, it was argued that as external

economic and social conditions are not optimistic, a popular support for the welfare state's underlying values and beliefs is a prerequisite for the defence or advance of any redistributive policy.

At the end of this chapter, an integrative strategy was proposed which draws its theoretical nutrition from the theory of the ideological production of welfare. It was argued that this strategy can duly recognize the importance of ideology in maintaining social relations in society as well as the social context which these social relations underlie. Such a dual focus reflects the importance to overcome the dichotomy between ideology and social condition : welfare production does not only embrace material and tangible transactions, it also carries with ideological meanings; so, welfare production is a synthesis of the production of both idea and material. This theoretical conceptualization is not often prevalent in the discussion of welfare in general and welfare mix in particular.

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