

Social policy is primarily determined by the needs of the economy. discuss

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Social Policy is primarily determined by the needs of the economy: There is much truth to the ment that social policy is a product of economic imperatives. This is not in the true spirit of social democratic principles espoused in the legislatures, but has nonetheless become inevitable under the heavy influence of private capital (both domestic and international) in the era of neo-liberalism. Britain was for long recognized for its strong welfare tradition. But this status is changing gradually but surely. As Michael Rustin notes in his insightful analysis of the contradictions in the British welfare system, while public services have remained at the centre of New Labour governments of recent past, many market oriented changes have also simultaneously taken place. So, the original British welfare state, which was a considerable achievement on part of organized labour and citizenry against the forces of capitalism, is now becoming subservient to the market state. The consequence is that the health and welfare of workforce are brokered in “ a new social contract that binds the ‘ responsabilised’ individual to the exercise of choice in a supermarket of opportunity”. (Rustin, 2008, p. 42) Even as the relative share of human services such as health, education, social care, etc appeared to have grown in the post-industrial economy, “ there was a further reason why it became unacceptable to tolerate the earlier duality of values, between the collectivism of welfare, and the individualism of the business sector. Capitalism could only thrive, it was held, if it could fully penetrate every sphere of the national life. And only if capitalism thrived could Britain compete as a nation, and governments meet their responsibility to advance peoples living standards.” (Rustin, 2008, p. 42)

Hence, the needs of the economy had clearly begun to play a dictatorial role in ascertaining social policy. Bob Jessop has articulated the Fordist and post-Fordist stages of post-war capitalism as respectively “ the Keynesian Welfare National State and the Schumpeterian Workfare Post-national Regime, the former giving its ostensible priority to redistribution and welfare, the latter to enterprise and competitiveness.” It then follows that under the latter system, social policy and collectivised consumption become more strongly subordinated to what are considered to be the needs of the economy.

(Rustin, 2008, p. 42) Even the pre-eminent economist Adam Smith had spoken about the trade-offs between social policy and economic growth. Under the recent stewardship of Gordon Brown and the New Labour, this tension had again played out. Disquiet about Browns Chancellorship from the Labour left

“ always focused on the accusation that he had done much more to assist the competitiveness of British firms than to ensure the basis of a healthy society. The social liberal voice in the Labour Party has expressed its concern about the dominance of economic liberal thinking in Party policy. Even the centre-point of Browns communitarianism - his attempt to induce a new ethos of volunteering - reveals the imprint of such thinking. Volunteering ceases to justify the name the moment that economic incentives are used to try to garner more support for it.” (Watson, 2008, p. 20)

There’s further proof to enhance the theory that social policy is incidental to the needs of the economy. Since Britain joined the neoliberal bandwagon in the early 1980’s, under the Thatcher regime, the pace and intensity of work life has increased. The number of working hours has increased to the

equivalent of 8 weeks per year, which is close to conditions in the Victorian era. (Watson, 2008, p. 20) Conversely, job satisfaction is low, while stress-induced illnesses, including depression are on the ascendency. In this scenario, it is fair to say that the UK population is in a state of 'social recession'. All these factors make it clear that social policy is always a by-product of the needs of the economy. And in most cases, the former is adversely impacted due to this correlation.

References:

Rustin, M. (2008, Spring). Contradictions in the Contemporary Welfare State. *Soundings* 42+.

Watson, M. (2008, July 1). Gordon Browns adam Smith Problem. *Renewal : a Journal of Labour Politics*, 16, 20+.