

Working Papers

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Working Paper No. 03-10

2003



Center for Social Development



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Abstract: *Although asset policies and programs are seldom linked to wider theoretical debates in social welfare, this paper contends that an understanding of these debates contextualizes asset interventions and clarifies underlying values and ideological beliefs. Contrasting different normative perspectives in contemporary social welfare theory, the paper suggests that developmentalism offers a congenial normative framework for asset programs. In this way, the wider goals of asset programs and their value implications may be explicated and comprehended.*

Keywords: normative perspectives, contemporary social welfare theory, developmentalist approach, social policy, asset-building

Since the publication of Michael Sherraden's *Assets and the Poor* in 1991, interest in asset programs and their contribution to social policy has increased significantly. These programs have been widely discussed in the academic literature, large foundations have supported research and demonstration projects in the field, and legislative initiatives have fostered their wider implementation. In addition, variations on the asset approach have emerged both in this country and abroad (Ackerman & Alstott, 1999; Nissan & Le Grand, 2000).

Although these developments represent a remarkable innovation in social policy, discussions about assets have been primarily concerned with technical matters and relatively little attention has been paid to their wider theoretical implications. Sherraden did devote a chapter to theoretical issues in *Assets and the Poor*, but noted that more work was needed to give the asset approach a sound conceptual grounding. Unfortunately, there has been little subsequent discussion on how assets fit into broader theoretical analyses in social policy, or how they reflect the normative preferences inherent in welfare theories. The normative implications of the asset approach have not been adequately dissected nor linked to wider ideological debates. Indeed, discussions about assets have been ideologically muted and they have not generated the same degree of fervor as have debates about welfare and social security.

While a preoccupation with the practicalities of program design, implementation and outcomes often results in an understandable neglect of theoretical considerations, theory plays a vital role in social welfare and should not be disregarded. An involvement with theory is not merely an academic exercise, but an important component of effective social policy formulation and implementation. Theory is important for programmatic purposes because it frames particular social programs such as assets within a wider social, economic, cultural and political context. By conceptualizing these complex realities, it facilitates an understanding of the way specific programs relate to this context. Complex realities are thus more readily comprehended and can be made more manageable.

An appreciation of theoretical issues also reveals that particular social programs can be linked to different normative orientations to give expression to very different objectives. For example, policy makers with different ideological inclinations may view asset accounts quite differently. While those on the right may see assets as an effective tool for promoting self-reliance, those on the left may view them as a means of redistributing resources. An understanding of how a particular social program, such as assets, is related to ideological agendas is, therefore, important if its potential use is to be fully comprehended. Indeed, it is only possible to properly understand the full implications of social programs for issues of welfare, progress, social justice and social solidarity when they are incorporated into broader systems of normative theory.

This paper seeks to contribute to a broader understanding of asset programs by linking them to the normative perspectives of contemporary social welfare theory. Academics and social policy analysts at universities, research institutes and policy centers have formulated these perspectives in an attempt to capture and interpret, at a conception level, the complexities of current social welfare realities. Although they invoke ideological preferences, these preferences are subsumed under the abstract formulations of normative theory. They reflect diverse beliefs about the role of government, the market, individual responsibility and other institutions in social welfare.

Institutionalism and the Expansion of State Welfare

A century ago, governments played a relatively small role in social welfare. It was generally believed that individuals and their families were responsible for their own well-being and, if unable to cope, relatives, friends, neighbors, churches and charities were expected to help. It was accepted that government aid should be provided as a last resort and that it should be limited, meager and given only to those who were unable to work. Many approved of this austere public welfare system, believing that generous government social programs would encourage indolence and irresponsibility. These attitudes were widespread not only in the United States, but in Europe and other parts of the world as well.

However, by the end of the 19th century, efforts to expand government involvement in social welfare were already underway. In Europe, the labor movement and liberal and socialist political parties urged the expansion of state social welfare provision. In the United States, the federal government was already providing pensions to large numbers of Civil War veterans, and many states had constructed residential institutions to house the mentally ill, orphaned children, the destitute elderly and others in need (Herrick, 2000). Public bodies had been established to regulate charities and residential institutions, and government policies were being implemented to improve working conditions and protect those who were vulnerable to economic exploitation. These activities laid the foundation for the expansion of state involvement in social welfare that took place during most of the 20th century. In most of Europe, North America and other industrial nations, government involvement in health care, education, income security, housing and community and family social services increased rapidly. Despite vocal opposition from traditionalists, the business community and parties of the political right, the statist 'tide' which crested with the institutionalization of the so-called 'welfare state' in the middle decades of the century seemed irreversible.

Academics who have researched the rapid expansion of government involvement in social welfare during the 20th century have offered numerous explanations for this trend. In addition, some have provided conceptual models, which are less concerned with explanation than with characterization. Of these, the residual versus institutional model formulated by Harold Wilensky and Charles Lebeaux (1965) and Richard Titmuss (1974) has been widely cited. Although this model was intended to serve as a classificatory device, it also had the implicit normative purpose of declaring the superiority of the institutional over the residual approach.

In the normative sense, the residual model posits that government social welfare institutions should only come into effect when individual effort, family support, the market and non-formal welfare systems fail to meet human need. Residualism requires that state provisions should be conditional, targeted and limited. On the other hand, the institutional model proposes that government social programs be universal, generous and, ultimately, be 'institutionalized' in the cultural fabric of modern societies.

Titmuss (1958, 1968, 1971, 1974) was the most eloquent and persuasive proponent of the institutional conception of social welfare. He elevated social welfare debates to a moral level, stressing their role in motivating altruistic sentiments and creating a just and caring society. He also believed that the economic and social welfare domains should be separated. While economic

goods should be bought and sold on the market, social welfare should be provided through collective mechanisms. For Titmuss and other social democratic thinkers of the time, this meant the state. Titmuss believed that the state is the most effective collective institution for the provision of social welfare in complex industrial societies. The state represents its citizens, embodies their will and gives expression to their collective desires to care for each other. The state is, thus, the arena in which altruism finds expression. Echoing Durkheim, he argued that government social programs increase reciprocity and, because of their redistributive consequences, create a more equal and solidaristic society. Titmuss's ideas were well received and for many, his writings provided an appealing normative rationale for state welfarism.

Institutionalism also drew on the work of T. H. Marshall (1950) whose conception of social rights offered a popular legitimation of state welfarism. Marshall argued that the historical struggle for civil and political rights had culminated in the 20th century with the acceptance of the principle that citizenship also required social rights. People who are in poverty, ill-health, inadequately fed, poorly educated and badly housed cannot be regarded as citizens in the proper sense of the term. The state should, therefore, ensure that all members of society have rights to an adequate income, health care, education, housing and other social goods. It must establish these rights in law and create mechanisms that guarantee their implementation. This involves the provision of extensive social programs and the institutionalization of state responsibility for social welfare.

Midgley (2000) believes that institutionalism dominated social policy in Europe, North America and other industrialized nations during the middle decades of the last century. Coupled with the adoption of Keynesian economic policies, environmental planning and other forms of interventionism, it legitimated the expansion of social programs and rapid increases in social expenditures. It permeated academic thinking about social policy, exerted a powerful influence on social policy makers and administrators, created what has been derided as an 'entitlement culture' and spurred activist organizations concerned with promoting the welfare rights of poor people. It also facilitated a political consensus on state welfare during the post war decades, which was only successfully challenged in the 1970s, and finally dissolved in the 1980s.

Radical right wing politicians such as Mr. Reagan and Mrs. Thatcher persuaded voters that high unemployment, stagnating incomes and other economic difficulties in the 1970s could be attributed to excessive government spending and an overly generous welfare system. In addition, middle class disillusionment with political protests and strikes fostered a swing to the radical right, which promised a return to stability and traditional values. By the end of the 1980s, it was clear that the dominance of the institutionalist approach had been effectively challenged. The election of a Democratic President in the United States in 1992, and the return to office of social democratic parties in many European nations during the 1990s did not resurrect institutionalism.

The New Pluralism and its Reformulations

Although scholars dispute the extent to which the Reagan counterrevolution actually resulted in the retrenchment of state welfare, most agree that institutionalism has been fatally debilitated and replaced by a new disposition in social policy inspired by what is variously described as neo-liberal, neo-conservative or radical right thought. This approach emphasizes far greater

individual and family responsibility for social welfare and stresses privatization, contracting out of services and a greater role for religious, voluntary and commercial providers. It advocates more devolution and an enhanced focus on local decision-making in social policy. The new disposition also requires greater cost containment and budgetary control over social expenditures.

Various attempts have been made to conceptualize this new disposition. Some scholars have emphasized its residual features contending that government social programs have been emaciated as a result of a concerted attack on the welfare consensus by the radical right (Abramovitz, 1992; Fabricant and Burghardt, 1992; Piven and Cloward, 1982). Others believe that the post-institutional era is characterized by an almost atavistic recapitulation of the Poor Laws. They stress the punitive elements in contemporary welfare pluralism contending that welfare programs now function primarily as a mechanism for social control. The welfare state, they believe, has been replaced by a coercive 'workfare' or 'disciplinary' state (Davey, 1995; Jessop, 1994; Jones and Novak, 1999). While recognizing the retrenchments that have taken place, particularly in social assistance, others contend that recent policy developments are hardly indicative of a return to Poor Law residualism. For example, they point to the survival of key institutional programs such as social security and the introduction of new programs that utilize the tax system and employer mandates for social purposes (Herrick and Midgley, 2002). Similarly, some scholars have observed that public expenditures on social welfare remain high in most industrial nations, and that far from being passive, the state actively fosters privatization and the contracting out of services (Gilbert and Gilbert, 1989; Gilbert, 2000).

For these reasons, the post-institutional disposition may best be characterized as a new form of pluralism that has halted the apparently inexorable expansion of state welfare and, at the same time, found an equilibrium that rejects the totalizing intentions of institutionalism as well as the insensitivity of residualist thinking. This interpretation offers a plausible interpretation of the complex developments that have taken in social policy since the 1980s. However, the essential elements of the new pluralism have not yet been explicated. The issue is further complicated by the fact that pluralism has, to a greater or lesser extent, always characterized social welfare. Non-statutory sources of welfare including the family, market and voluntary sector functioned even during the apogee of institutional welfarism. However, their role was de-emphasized by institutionalists who believed that state collectivism would eventually replace these provisions. It was only in the 1980s that social policy writers pointed to the existence of what was described as the 'mixed economy of welfare' (Kammerman, 1983; Johnson, 1987).

The issue is further clouded by the normative advocacy of different forms of pluralism. While the dominant emphasis in the New Pluralism is neo-liberal, other approaches offer various formulations of pluralist thinking. For example, Gilbert and Gilbert (1989) favor a more activist welfare system in which the state plays an 'enabling' role. Another attempt to shape welfare pluralism was the infusion of communitarian ideas into social policy during the Clinton administration in the hope of providing a basis for New Democrat thinking (Etzioni, 1993). More recently, Anthony Giddens (1998, 2000) has promoted a 'Third Way' approach that seeks a balance between the institutionalism of the social democratic left and the residualism of the neo-liberal right (Giddens, 1998). His approach reinforces the notion that the new pluralism has fostered a congenial equilibrium suited to the needs of the time. Third Way pluralism has helped

define the social policy agenda of the British Labour Party since its landslide election victory in 1997, and was subsequently endorsed by President Clinton and several European social democratic leaders (Giddens, 2000). Another important contribution comes from neo-institutionalist scholars such as Jill Quadagno (1993) and William Wilson (1999) who have emphasized the role of gender and race in the dynamics of welfare. These and other writers have infused a multicultural dimension into social welfare debates that confounds a simple conceptualization of contemporary welfare pluralism. Other neo-institutionalists include Theda Skocpol (1995) who believes it is possible to combine selective social welfare measures with universalist ideals.

While pluralism now dominates social policy thinking, proposals that transcend the apparent equilibrium of the new pluralism have also emerged. These more decisive proposals may seem to challenge the institutionalization of pluralism, and offer radically new directions for social policy or, on the other hand, they may be viewed as reformulations of pluralism. Although they are more activist, and place varying degrees of emphasis on state involvement, they recognize the role of diverse sources of welfare in modern society. These alternatives to pluralism include abolitionism, regulationism and developmentalism. Although other normative approaches such as populist radicalism, ecologism and traditionalism can also be identified, they will not be elaborated here.

Abolitionism and the Abrogation of State Welfare

Abolitionists propose that all government social programs be scrapped. These programs, they believe, have not only failed to enhance people's well-being as the institutionalists had promised, but have exacerbated poverty, fostered dependency and increased the incidence of illegitimacy, crime, drug taking and other social ills associated with the 'underclass'. Charles Murray's (1984) contention that American social policy has 'lost ground' was accompanied by the then radical proposal that social programs for working age people be abolished. Local programs operated by churches, charities and, to a limited extent, by local municipalities should replace government social programs. Local welfare programs would, he believes, ensure that help is given only as a temporary resort to those who are in genuine need.

Since then, proposals for abolition have been made with greater frequency. Arguing that government social programs have stifled religious and charitable effort, Marvin Olasky (1992, 1996) proposes that the state's responsibility for welfare be transferred to churches and non-profit organizations. In addition to funding these organizations directly, tax subsidies, vouchers and other policies that encourage the expansion of the non-profit sector should be introduced. Michael Tanner (1996) agrees, proposing that eliminating government social programs will strengthen civil society's responsibility for social welfare and its capacity to respond to social needs. While abolition may result in hardship, its effects will be temporary and in the long run, future generations will be saved from the destructive effects of state welfarism.

Although these proposals have not been implemented, they have been well received in some Republican circles. Former speaker Newt Gingrich (1995) praised Olasky's recommendations and supported Congressional proposals to allow taxpayers to check their tax returns and allocate \$100 of federal funds to their favorite charity, just as they are allowed to allocate funds to presidential election campaigns. This, he reckoned, would result in the transfer of up to nine

billion dollars of federal funds to the non-profit sector. It would also encourage ordinary citizens to be more directly involved in social welfare issues. These developments are indicative of growing political pressures for the greater involvement of religious organizations in the provision of social services. As Ram Cnaan and his colleagues (2000) suggest, these organizations will play a more significant role in social welfare in the future. Although discussions about the greater involvement of religious and charitable organizations in social welfare are suggestive of a commitment to residualist pluralism rather than abolitionism among Republican leaders, it is clear that these proposals are being driven by an abolitionist impulse that ultimately seeks the total abrogation of government involvement in social welfare.

Regulationism, Economic Integration and Welfare Capitalism

Regulationism also offers an alternative to the new pluralism. The term 'regulationism' is inspired by analytical accounts of contemporary social policy by writers such as Bob Jessop (1994) and Chris Jones and Tony Novak (1999) who stress the way governments now proactively use social welfare programs to promote desirable social behaviors among welfare clients and the poor, and to foster their integration into the capitalist economy. Although they do not describe themselves as regulationists, proponents of this approach include Lawrence Mead (1986, 1992, 1997) and David Stoesz (2000). They contend that poverty is the result of economic marginalization and the exclusion of the poor from enjoying the benefits of capitalism. They recognize that the lack of integration into the capitalist economy is the result of many factors, but they believe that a major cause is the social service system that has discouraged participation and fostered welfare dependency on a large scale. The best way of addressing the problem is to ensure the absorption of welfare clients and the poor into labor markets and their involvement in other economic activities. Governments, these scholars believe, should not adopt a *laissez-faire* attitude, but implement measures that actively integrate poor people and welfare recipients into the capitalist economy. Similar arguments have been made with reference to the developing world by writers such as Hernando de Soto (1989, 2000).

Mead's (1986) account begins with a critique of institutionalism. He castigates the notion of unconditional entitlement in Marshall and Titmuss's writings arguing that citizenship rights are contingent on duties, obligations and reciprocity. Those who receive help from the community should be expected to behave responsibly, strive to become independent and contribute to the common good. The entitlement culture of institutionalist welfare has, Mead believes, undermined these precepts and fostered the emergence of an indolent and deviant underclass. The greatest challenge to American society is not poverty or inequality or a lack of economic opportunity, but worklessness (Mead, 1992). The future welfare of all requires that this problem be solved.

Mead recommends that government address the problem of worklessness by adopting a stern, paternalistic posture that imposes strict conditionality requirements on those who receive social benefits. His 'new paternalism' demands that they engage in productive employment. He stresses the need for self-reliance and social conformity, and is insistent that the state promote behavioral and attitudinal change among welfare clients. In addition to attacking entitlement programs, Mead and his colleagues are critical of welfare to work programs that emphasize the role of education and the acquisition of skills (Mead, 1997; Bardach, 1997). The most effective programs, they believe, involve immediate job placement. By insisting on 'work-first', welfare

recipients learn positive work habits, engage in employment and ultimately obtain the skills they need to enhance their careers. Mead's ideas, and particularly his insistence on 'work first', have been incorporated into the so-called welfare 'reform' legislation enacted in 1996.

While Mead's behavioral regulationism involves the use of punitive sanctions, Stoesz (Stoesz, 2000; Stoesz & Saunders, 1999) proposes a gentler, incentive-driven approach that promotes the integration of welfare clients and the poor into the capitalist economy through what is described as 'welfare capitalism' or 'bootstrap capitalism'. Arguing that the American welfare system has become inept, corrupt and ineffective, Stoesz blames the importation of 'European style' institutionalist ideas that, he believes, are unsuited to the realities of American culture. Social policies that are compatible with the cultural ethos of American society are more likely to remedy the problems of welfare dependency and poverty. Accordingly, he advocates the adoption of social policies that diffuse the capitalist ethic and actively integrate welfare clients into the nation's capitalist culture. Specific policy proposals of this kind include the greater use of wage supplements through the Earned Income Tax Credit, the creation of asset accounts and the promotion of programs that foster capitalist enterprise in low-income communities. Like Mead, Stoesz believes that labor market attachment is a central element in social policy.

It is perhaps ironic that these scholars fulfill the claims of Marxist and other critics who have long argued that the prime purpose of social policy is to serve the interests of capitalism (Gough, 1979; O'Connor, 1973; Offe, 1984). Institutionalists, who contend that the modern welfare state was the product of working class mobilization and a genuine commitment to improve social conditions, have stoutly resisted this claim. Similarly, by giving formal expression to the idea that the state should use social welfare as a means of behavioral regulation, Mead's work gives expression to the view that social policy is little more than a means of exerting social control over the poor. This view was most persuasively articulated by Frances Fox Piven and Richard Cloward (1971), but has since been restated in numerous accounts based on the ideas of Michel Foucault and other post-structuralists. These writers emphasize the role of social welfare in 'ordering lives' and exerting social control (Carter, 1998; Hughes and Ferguson, 2000; Margolin, 1997).

Jessop (1994) contends that the replacement of the institutional 'welfare state' approach based on Keynesian assumptions with a 'workfare state' approach based on Schumpeterian assumptions is revealed in the activist role governments now play in regulating both the economy and the citizenry to promote capitalist economic development and maintain competitiveness in the global economy. In the social policy domain, governments have replaced programs that previously sought to maximize employment and provide comprehensive social services with social programs that ensure the active absorption of welfare clients into the labor market.

The work of Mead and Stoesz can be viewed, in terms of Jessop's analysis, as comprising a contemporary regulationist approach to social welfare. Both are vigorously opposed to the entitlement elements of institutionalism, believing that government social programs have had a deleterious impact on the work ethic, incentives and economic progress. But, far from rejecting state intervention, they urge governments to use their authority and resources actively to promote the integration of the poor into the capitalist system. Mead proposes the use of sanctions while Stoesz recommends incentives that encourage economic integration. Both reject the

institutionalist commitment to entitlements and social rights, and reveal an obsession with work and capitalist economic integration.

Developmentalism, Economic Progress and Social Investment

Another alternative to the new pluralism is developmentalism. Also known as social development, it first emerged during the 1950s and subsequently evolved to promote what was known as 'unified socio-economic development' (Midgley, 1995; United Nations (UN), 1971). This term referred to the efforts of the developing countries to foster economic growth and simultaneously raise standards of living. Social development has since been actively promoted by international development agencies, and particularly the UN. These efforts are exemplified by the World Summit on Social Development which was held in Copenhagen in 1995 (UN, 1996). Developmentalist ideas have been applied to social policy debates in the United States by writers such as Midgley (1995), Sherraden (1991) and their colleagues.

Developmentalists offer a macro-perspective on social policy and purposefully link economic and social policies within the framework of a planned development process. They regard economic development as a desirable and essential element in social welfare, and propose that social programs support the developmental imperative. They also propose an activist role for the state in promoting economic development and raising standards of living. However, their belief in a positive role for the state is combined with a strong belief in people's participation and community involvement in social welfare reflecting a wider commitment to pluralism.

Developmentalism is based on three requirements. First, it proposes the creation of organizational arrangements at the national level that harmonize economic and social policies within a comprehensive commitment to sustainable and people centered development. It should be noted that this approach is appreciative of ecological concerns and sensitive to the interests of Green social policy thinking (Estes, 1993; Hoff & McNutt, 2000). Second, it urges the adoption of macro-economic policies that promote employment, raise incomes and attain other 'people centered' economic development outcomes. Third, it recommends that social programs be 'productivist' and investment oriented by promoting economic participation and generating positive rates of return to the economy. The term 'productivism' comes from Esping-Andersen's (1992) characterization of Swedish social policy which, he points out, has long sought to enhance human capital and promote full employment. Developmentalists today define productivist social welfare in similar terms. A social program is productivist if it focuses on material needs, invests in what Amartya Sen (1999) calls human capabilities, promotes effective participation in the economy and contributes positively to economic development. By linking productivist social investment programs to a comprehensive development process that is sustainable and people centered, developmentalism offers a comprehensive approach to social welfare that is universalistic, interventionist and committed to progressive social change.

Productivist social services include a repertoire of 'social investment' interventions that enhance human capabilities and foster economic participation. Midgley (1999) has identified a variety of these programs. They include human capital programs that seek to inculcate knowledge and skills and prepare social welfare clients for productive employment or self-employment. Although these programs are not new, they are attracting more attention as efforts to encourage needy people to become active in the labor market are given greater prominence. Closely related

to human capital programs, are programs that facilitate productive employment or self-employment. Job referral, placement and mentoring programs designed to help welfare clients engage more effectively in the labor market are now well established. The promotion of self-employment for welfare clients through micro-enterprise and micro-credit programs is also becoming popular. Social capital programs that promote the development of social networks can also be used, particularly in poor communities, to foster a variety of local development projects and involve more people in cooperative endeavors. Social investment also includes programs that remove barriers to effective participation in the productive economy. These programs are vital if welfare clients and the poor are to engage effectively and benefit from the economy. Proponents of social investment also require that social programs be cost effective and that their outcomes be assessed. Efficiency in program design and implementation is an essential part of productivist social welfare. Of course, social investment programs also include asset development programs that extend opportunities for wealth accumulation to welfare clients and low-income families.

Despite its unique features, developmentalism has similarities with institutionalism. Indeed, it has been characterized as neo-institutionalist since it has an obvious statist inclination, and is universalistic and even redistributive (Miah and Tracy, 2001; Midgley, 1999). On the other hand, it differs significantly from institutionalism by rejecting the bifurcation of economic and social policy. It also places less emphasis on entitlement rights as a rationale for social welfare, and instead stresses the enhancement of human capabilities through social investments. These investments facilitate the effective participation of welfare clients in the productive economy.

Developmentalism's emphasis on productivist social welfare is also reminiscent of the regulationist's demand that the beneficiaries of social programs be required to work. However, while developmentalism does encourage economic participation, it is not narrowly focused on employment placement, and is hardly coercive or paternalistic. Unlike regulationism, it is not primarily concerned with the promotion of capitalism or the integration of the poor into the capitalist economy. Instead, its proponents seek to promote economic participation to enhance the material well-being of clients within the context of national policies that foster sustainable, people-centered economic development. It also stresses the role of social investments. By seeking to harness the dynamics of the market for social ends, developmentalism also offers the prospect of transcending the generalities of 'Third Way' pluralism and of reconstructing social democracy.

Assets, Welfare Theory and Developmentalism

It was noted earlier that asset programs are not associated with any particular ideological approach. Indeed, it appears that these programs are acceptable to policy makers of quite different political persuasions. Those on the right may commend assets for being compatible with America's cultural traditions of hard work and self-reliance. Supporters of free market capitalism will approve of asset programs because they encourage poor people to save and participate in the market economy. Those who believe that the state has a positive role to play in promoting social welfare will also approve of asset programs since they involve public matching funds and offer an opportunity for governments to ameliorate poverty by redistributing resources.

It would be gratifying if it could be agreed that asset programs are ideologically uncontroversial. However, this is unlikely. Closer scrutiny reveals that assets, like other social policy innovations, invite sharp differences of opinion. While those on the right question their redistributive implications, those on the left oppose the use of assets to promote the interests of capitalism. They also ask how the asset approach addresses wider issues of inequality and injustice in society. Despite these differences, the proponents of different normative social policy positions can embrace asset programs. Pluralists will regard them as yet another component of a multifaceted set of social provisions while abolitionists may favor their use by non-profit organizations. As was noted earlier, both regulationists and developmentalists have claimed that assets comprise an integral part of their agenda.

Assets, Developmentalism and Normative Welfare Theory

While it is true that asset programs may be applied in different normative contexts, it will be argued here that asset programs are most meaningful when linked to the developmentalist approach in social policy. It has been noted already that proponents of developmentalism have previously included assets within the programmatic ambit of this approach (Midgley, 1995; 1997; Midgley & Sherraden, 2000). Nevertheless, since no systematic exposition of the developmentalist commitments of the asset approach has yet been offered, further elaboration may be helpful.

First, the asset approach is compatible with developmentalism because it links assets with economic development effort. It views assets as an integral part of an overall development strategy that seeks to raise incomes and standards of living for all. Asset programs are not isolated from economic development efforts, but complement and support them. Second, the asset approach is compatible with developmentalism because it gives expression to the interventionism of developmental thinking. Advocates of asset programs do not propose that low-income people acquire assets through their own efforts or through market mechanisms, but require that they be actively encouraged and supported in tangible ways by government and other agencies. Third, the asset approach emphasizes the need for investments in human capabilities, which is consistent with the notion of social investment in developmentalism. And, as Sherraden (1994) points out, a commitment to strengthening individual capabilities takes place within a wider framework of programs and interventions that enhance people's well-being and promote social solidarity.

It is clear that a developmentalist interpretation of assets differs from those of other normative welfare perspectives. However, there are similarities as well. For example, there is evidence to show that behavioral changes accompany the creation of asset accounts (Yadama & Sherraden, 1996). While this may be interpreted as supporting a regulationist interpretation of assets, it should be pointed out that developmentalism is not narrowly concerned with behavioral change and that, in terms of a developmentalist interpretation, behavioral change is not the result of behavioral or social regulation. Instead, assets are investments that facilitate behavioral change through educational attainments and improved opportunities that facilitate enhanced functioning. The developmentalist emphasis on assets as investments can also be distinguished from the bootstrap capitalism approach that views assets as a means for diffusing capitalist values. While asset programs may be compatible with individualism, they do not invalidate tendencies towards

social integration. Instead, by enhancing opportunities and economic participation, the asset approach is compatible with the promotion of social integration (Midgley, 1998) and thus with the solidaristic commitments of institutionalism. However, assets diverge from the institutionalist commitment to consumption-based income transfers, arguing instead for social investments that enhance capabilities. It should also be pointed out that assets support individual functioning within the framework of an interventionist approach that is committed to economic and social development.

As this account suggests, linking assets programs to developmentalism explicates important normative assumptions that, in turn, reveal wider ideological and value commitments. Viewed in this way, debates about asset programs are not narrowly preoccupied with technical and programmatic matters, but involve issues of social progress, solidarity, citizenship, social justice, individual responsibilities and other weighty concerns. Indeed, it may be argued that it is only by linking assets to wider normative theories such as developmentalism that debates around these issues can be effectively pursued.

By linking assets to developmentalism, it is also possible to tackle complex normative questions. Do assets replace caring and an altruistic concern for the needy, which was such a powerful motive in institutionalist thinking? Or do they promote individualism and wider capitalist interests, ultimately legitimating the argument that social needs are best met through individual rather than collective effort. Do assets foster social integration, reduce inequality and promote social justice or do they merely facilitate wealth accumulation among those who already have the resources and abilities to save? This is a major weakness of current asset policies in the United States, which promote asset accumulation among the middle class but largely ignore the poor.

By associating the asset approach with developmentalism, these and other questions can be answered in a meaningful way and, normative commitments that are compatible with clearly articulated values and beliefs can be formulated. For example, developmentalists believe that asset programs are an integral component of efforts to promote positive social change. They also believe that assets function to enhance people's participation not only in the economy, but in society as a whole. In this way, assets promote social integration and solidarity and foster the ideal of citizenship. While it is true that assets enhance individual responsibility, they also foster stakeholding and engender a wider sense of social participation which, in turn, strengthens citizenship. A developmentalism interpretation of the role of assets thus seeks to reconcile the historical polarization of individualist and collectivist elements in social policy. The notion of citizenship through stakeholding also reflects a wider commitment to social and economic rights within developmentalist thinking. As a component of the developmentalist agenda, assets involve redistribution and thus foster equality and social justice. Assets, developmentalists believe, thus offer new opportunities for the expression of altruistic motives through redistributive policies.

Although these and other normative aspects of asset programs need further discussion and elaboration, they can be most effectively debated when linked to normative theories such as developmentalism. In this way, the strengths and weaknesses of the assets approach can be better comprehended and its goals and underlying values can be clarified. The criticisms leveled against assets programs can also be better understood and countered. As suggested earlier,

framing asset programs within the context of welfare theory is not an indulgent academic exercise but a necessary step in formulating policies that are enduring, responsive and effective.

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