

Trust, Disquiet and Welfare State Reform

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Welfare states across Europe are undergoing far-reaching reforms in response to the pressures of globalisation on fiscal, commercial and cultural levels, the shift to a post-industrial labour market, and changes in family patterns. Governments seek to ensure that welfare states contribute more to national competitiveness, operate in a more cost-efficient way and are more responsive to consumer demands. One important response is the expansion of policies that stress individual responsibility, greater use of the market and the private sector, and new forms of management in social provision. These are based on an individual rational logic of agency.

This article reviews trends in this direction and examines the UK as an important (and highly self-conscious) site of the development of such programs, and as one which is pursuing them with more enthusiasm than do other established European welfare states. Work on rational individualism and social interaction indicates that the rational actor approach can sustain horizontal redistribution linked to a principle of reciprocity, but that it is much weaker in nourishing support for vertical redistribution that seeks to mitigate the social inclusion of those unable to make an equivalent return. It also damages institutional trust based on shared value-commitments. Evidence from attitude surveys, focus groups and individual interviews indicates that support for inclusive welfare and institutional trust are undermined by the new policies, although they may enhance the objective performance of welfare systems. Reforms based on the UK model, undertaken for excellent reasons under difficult circumstances, run the risk of eroding welfare state citizenship and longer-term electoral support for important aspects of the European welfare state.

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