Changes to the Welfare System in Post-modern Society

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Abstract
The post modern society has increased the welfare state crisis, and strengthened the relationship between economy and society. The literature considers the welfare as a maker of local development. The social policy is able to produce health, social capital and capability. These aspects are called “social determinant of the development”. The post modernity increased also the different kind of “course of live” and social risks. The welfare state has produced a standardization of the services, but this differentiation breaks this kind of answer to social needs. The needs differentiation requires services more personalized. The welfare mix has increased and differentiated the producers of welfare’s services. This aspect requires new way of regulation able to integrate hierarchy, market and network. This approach requires a revision of governance technologies in order to avoid an increase of bureaucratic procedures

Keywords
Welfare mix, social determinant, governace

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Since the so called “golden years” (the nineties to be precise) the welfare systems of all the European countries have entered a phase of crisis and re-definition. The need to put in place a process of re-definition has its origin in the changes which have taken place leading to a practical impossibility to pursue the aims which are at the basis of the system. These changes are certainly to be ascribed to:

- the crisis of the “Fordist System” of organisation of the economic system and of the relationship between the economy and society. The need to come to terms with a post-industrial economic system, and with the urge for a more active participation of women in the workforce; not to mention other members of society, who have played a marginal role in the phase of industrial development over the last century; and these requirements do not mix well with the slow, heavily burdened welfare system we have today, which started off with the idea of “the male breadwinner”. In those days the labour market was centred around the idea of male employment as men were the head of the family, and from their employment came the income for the maintenance of the whole family, and as a consequence of this situation there followed a system of protection against social risks which the family members might come across during their lives;

- the crisis in the revenue of the State and the impossibility on the part of the economy to follow the evolving trend in the needs of the population, which is faced with a predicted reduction in the number of individuals who contribute, through the taxes they pay, to the production of the necessary resources. The increase in our needs has derived from two different factors, and precisely the increase in that part of the population which finds itself in need, and the process of learning about needs, which is characterised by a dynamic evolution and a continuous growth. Whereas on the one hand there has been a growth in the demand, on the other there has been a decrease in the number of people employed who are the ones that contribute to the
production of the resources to be used for the politics of welfare. Within this perspective we must think of the demographic changes taking place at present, the main characteristic of which is the increase in the percentage of old-aged people within the population and the decrease in the birth rate;
- changes in family structure, in the processes of its internal transformation and in the role it plays in our society. It is growing less and less possible to represent family dynamics through a process of “straight-line” development, and the concept of the cycle of family life (its constitution, development and dissolution) have shown themselves incapable of representing those social dynamics, which are its main characteristics (Devilde, 200);
- immigration and the transformation of life styles in big cities, which are bringing to light new needs. Immigration processes have certainly allowed us to reduce the negative effects of the decrease in the birth rate, offering a solution to the demand for manpower, but at the same time they have often complicated the processes for the construction of “identity” and social cohesion, particularly in the big cities;
- the crisis in the legitimisation of the state and its forms of representation of the citizens is undermining the legitimisation of the welfare system itself, as well as the “social contract” which is at the basis of the state system for the levying of taxes;
- the ideological opposition between the “State” and the “Market” seen as absolute concepts, on which the organisation of society begins and from which we define the processes that regulate the dynamics of the relationship between the various participants in the system.

These critical factors have set off a debate and a process of transformation in nearly all the European States, and not only European (Wood, Gough, 2006). This phase of meditation requires that we re-visit the principles and the logic from which the inspiration for the development of a new welfare system may come. This re-visiting will be all the more fruitful, the more it takes into consideration the nature of the critical points highlighted above, and the more it manages to start up a non-ideological confrontation based on the experience acquired and the research carried out
in recent years. In this article I will try to highlight a few of the crucial points on which to meditate and which have been shown, by researchers and by scientific debate, to be fundamental in order to re-think the national welfare system. The critical elements that need to be considered in the process of re-definition of the systems of welfare are, undeniably many, but, there are three central aspects in particular, from which to start, as far as the Italian situation is concerned, and they are to:

- re-think and re-define the welfare systems within the changed relationship between the economy and society;
- re-think the welfare system reducing the tension towards the standardisation of services and emphasising the personalisation of any intervention;
- re-define the processes that regulate the system, bearing in mind governance seen as a process of integration of the dynamics of the government of complex systems.

1. Welfare: development, economy and well-being

The preface (by Minister Sacconi) to the “green” book “The good life in an active society, green book on the future of the social model” reminds us of the strong relationship existing between economic development, well-being and the policies for welfare. It states in fact that: “It was the recent White Paper of the European Commission regarding health which emphasised the close relationship between health and economic prosperity, underlining furthermore how central the well-being of the citizens is in the policies contemplated by the Lisbon Strategy for development and employment. Promoting health means reducing poverty, alienation and social unrest, increasing productivity at work, employment rates and general economic growth. It follows that an increase in the quality of employment
and opportunities of employment throughout a longer lifespan results in health, prosperity and well-being for all.”

With these considerations in the preface of the document whose aim was to re-define the future welfare system in our country, we wish to repeat how central the relationship is between the economy and the social policies. This statement, however is by no means a novelty. Social policies have been considered the answer (of the state and of society) to the distortions produced by the market, and the action which contributes to making the supply of manpower to the market possible, taking on, collectively, the social costs. The “green book” introduces the double relationship between economy and society, stating that economic development contributes to the creation of well-being, and that social policies are one of the motors that help the growth of the community. Having said that it is fundamental to clarify the relationship, which, in this critical phase of economic crisis and transformation of welfare systems, links the economy to social well-being. In other words we cannot face the problem of the re-definition of the welfare systems without clarifying the relationship between three concepts: development, economy, well-being.

A contribution to the debate on the relationship existing between development-economy-well-being comes from the ideas developed by Polanyi (Polanyi, 1974). Regarding this issue the author reminds us that “the economy of man is immersed in his social relationships. .. man does not act in order to save his personal interests in the possession of worldly goods, (but) his social position, his social expectations. . . He values material goods only in as much as they lead to this end.” This statement on the part of Polanyi recalls the necessity to re-think the relationship between the economic and the social dimension, and he does so by indicating trains of thought that could be defined as follows: i) the first aspect regards the necessity to bear in mind that the economic dimension develops within a system of relationships which puts the social “actors” in contact with each other. This aspect recalls us to the urgent necessity to smelt together economy and society; ii) the author suggests also that material goods are not
in themselves an end, but a means to consolidate and improve ones social position and ones social expectations. The re-definition of the relationship between economy and society leads us to think again of the general aims of social policies within the system (Enabling the development of an available work-force? Develop social well-being? Create the conditions necessary to add value to the human capital? Etc.. ); iii) the re-definition of the role assigned to welfare policies needs a clarification and re-definition of the processes and the mechanisms of the government, that are able to create a strong relationship between local welfare- economy and development (of well-being).

1.1. Why we should smelt together economy and society

The debate regarding the process of transformation of the relationship between the economic and the social dimensions in post (or neo) modern society is beginning to involve all those disciplines which deal with well-being (economists, sociologists, psychologist, etc..). Rullani (Rullani, 2006), in his re-interpretation of the role of social capital in local development, reminds us that: “economy and society were fused together in pre-modern society, before the industrial and scientific revolution … (and) modernity broke this link, separating the economic sphere from the rest of the social body.”

Modernity is characterised by a productive and economic system oriented by a paradigm of “absolute rationality”, centred around an experimental type of scientific knowledge. The search for absolute rationalism goes hand in hand with the necessity to simplify decisional processes for those who need to intervene in the system. This simplification has been based on the standardisation of decisions and the underestimation of the dynamics of relationships which carry with them what needs to be specific and what needs to be differentiated. This approach to “simplification” has turned out to be a “dangerous illusion”. Standardisation
has set off a process of loss of rational significance in every social role, and has reduced the possibility of the “actors” to make decisions, limiting them to the obligation of enforcing decisions made by others. The concept of absolute rationality seems to go hand in hand with an idea of “decision, as a process of anticipation of an action”. The action itself therefore, is seen as the application of a standardised decision of the techno-structure. Therefore, the continuity between decision and action are no longer synchronised and having reduced the autonomy of individuals, their ability to face uncertainty and exceptions to the rules, those things which do not fit into the standardised processes, is also diminished. But, the crisis of modern society has highlighted very clearly that the main characteristics necessary in order to confront the decision processes both in the micro and in the macro sphere have their origin in: the uncertainty and ambiguousness of the information processes; the complexity of the dynamics between the actors; the spreading of the risks; and the evasive, “liquid” character which, according to Bauman (2006), is the main characteristic of post modern society. These aspects require a widespread development of decisional competence. The resources which enable the “actors” to make a decision are no longer to be found exclusively within the dimension of 'information', but also (and perhaps mostly) within the dynamics linked to identity and to the processes which create a feeling of it making sense. Giving up an absolute rationality has gone hand in hand with the statement of the importance of the “pondering” processes which enhance the distinguishing characteristics and make it possible to reinstate sense and meaning to the events experienced and re-elaborated. The crisis of standardisation processes and the reduction of decisional capability can be overcome, in other words, by re-connecting the social and the economic dimensions, starting from the re-elaboration of experiences, of the particular and specific aspects of the various contexts and of the dynamics of relationships.

A second aspect of the break up of continuity between the social and the economic sphere, provoked by Fordism, has its origins in the role assigned to the politics of welfare. The logic that has accompanied the development
of the systems of the welfare state was based on the definition of responsibility to address the risks connected to economic development. Not all models of welfare define the responsibility of addressing risks in the same way. Models inspired by a liberal philosophy tend to state that 'it is the individual, in the first person, who has the responsibility to activate mechanisms (insurance policies) suitable to protect him from risks. In this model responsibility becomes “social”, (meaning of the community) only when the individual involved is no longer in a position to face the situation (and this must be verified and certified by bureaucratic procedures), and the protection offered covers only primary needs (socially determined by the context). The models inspired by a social-democratic philosophy, on the other hand, tend to attribute to the state the responsibility of offering the individual a guarantee against the social risks produced by local development. It is true that in both cases an exchange between workers and companies actually exists. The individual renounces a certain amount of decisional independence (entering standardised processes as executor) and receives in exchange protection, directly or through some kind of support with the construction of a social network. However, the shift from a modern to a post-modern or 'neo-modern' society, whose main characteristic is an increase in the flexibility of the labour market, and at the same time the globalisation of economic processes, has lead to a crisis in the logic on which this exchange is based. Simultaneously the differentiation in the risks and the reduction of the resources available have lead to the transfer of responsibility directly to the single individual. It is also true that differentiation, flexibility and autonomy on the part of the “actors”, necessitates the development of resources that are capable of starting up processes of social integration. These factors contribute to the re-convergence of economy and sociology, which then begin to confront each other regarding the necessity to share concepts. Within this perspective the social capital certainly appears as a multidisciplinary concept, but, above all, the main resource in a position to support the processes of social integration.
A further consideration on the necessity to reinforce the bond between economy and society comes from Shin (D.M. Shin, 2000) who, taking up the work of Googh (Googh, 1996), claims: “It is no exaggeration to say that economic and social policies are at the moment two aspects of the same problem. A change in the policy of one of the two produces an outcome on the other and vice versa”. According to this author economic policies produce effects which influence social policies, but at the same time social policies can produce substantial effects on the sphere regarding economic policies. These observations lead us to state that the break up of the continuity between social and economic processes is no longer sustainable and post-modern complexity requires the development of thought processes based also on relationships (Donati, Colozzi, 2006), which will enable the system to take on and manage the confusion which has arisen between these two perspectives. This statement contains in itself the necessity to consider the emotional dimension, and the human element that goes with it which are an integral part of the comprehension and the planning of social and economic bonds which connect individuals, amongst themselves and with the forms of organisation adopted to cope with social risks. Rodger (Rodger 2004, Metrovic, 1997), on this subject, claims that the modern approach has removed the dimension of emotions from its interpretation of social phenomena. In this discussion there is no intention of going more deeply into this aspect, but simply to point out how this underestimation of the emotional dimension is often reflected in the planning of services to the individual. The break in continuity between economy and society, and the emphasis on scientific and rational dimensions, in opposition to the dimension of emotions and relationships have ended up by building technical solutions to the risks and difficulties facing the individual, in which the “human” dimension has taken on a secondary role. The discontinuance between economy and society is thus confirmed together with the central importance of economic processes as an alternative to personal well-being. In order to find a way of blending economy with society we need to re-consider the human dimension, including its relational
and emotional component, bringing it to the centre of the planning of social and economic policies. On this topic Rullani (2006) claims that “governance of complex systems … (requires) a knowledgeable and wise mix between production bodies, formal organisations and social capital in large and small quantities”. Furthermore, according to the author, these factors are necessary but they need to be accompanied by the build up of a “sense”, which represents the fundamental resource in the development processes of post modern society (according to this author: neo- modern).

1.2. Well-being and economic development: what role to welfare politics

Another aspect to be considered regards the necessity to clarify the relationship which exists between the well-being of a population and the economic development of the country which is at the centre of the process for the construction of welfare politics.

Fig. 1. Gross Domestic Product and average satisfaction with life from 1947 to 1998 (extract from: Diener, Seligman, 2004)

Inscription:

Gross Domestic Product _______________ Satisfaction with life.....................
In other words, starting from the presumption that the ultimate aim of welfare systems is to increase the well-being of the population, we now need to clarify if there is a direct relationship between income and well-being, and also perhaps, in which of these dimensions (well-being or income) it should be laid. The complex and not always directly proportionate relationship between economic development and well-being has, on the other hand, already been highlighted by those who have studied the relationship between the evolution of wealth of a nation and the perception of well-being of its citizens. Diener and Seligman (2004), while studying the evolution of the relationship between GDP (gross domestic product) and the satisfaction with life in the United States from 1947 to 1998 (see Fig. 1.), have shown that, above a minimum threshold in the provision of primary needs, the more the income per person increases, the less will be the possibility to further increase the quality of life of the population. These authors analysed the phenomenon in cross section, comparing the relationship between the GDP and the perception of well-being in different countries. This analysis enabled them to claim that the GDP is a good 'proxy' for the well-being of a state only for developing nations, for whom the provision of primary needs is a fundamental factor in the perception of the quality of life. In line with these statements Hellwell (2003) reaches the conclusion that the people who have a high level of well-being “are not those who live in the richest countries, but those who live where the political and social institutions are efficient, where mutual trust is high, and corruption is low”.

The possible interpretations of this report derive essentially from two aspect, which are:

- the availability of economic resources has a very profound effect on the well-being of the population in cases where life conditions are precarious and the population is obliged to struggle every day to keep above the breadline, or with the difficulty to cover primary needs. Once this threshold
is overcome there is an increase in the importance of other factors and needs which are not addressed by the availability of economic resources;
- the perception of well-being is a social construction based on the comparison between expectations and real standards of living. Expectations are built on the basis of each individual personal history, but also on the comparison with the dominant cultural models and with the standards of living of the people we come in contact with. Bauman (2007), in his analysis of the evolution of post modern society uses the concept of “homo consumens”, underlining how the necessity to be recognised as a consumer is an element of the identity of a person. All this leads to the fact that expectations grow faster than the increase in the resources available. This aspect is even more relevant in a context of global economy, in which the speed of communication, the frequency of exchanges between very distant cultures and the constant search for new markets increases the speed of the growth of expectations way and above the real development of local economies.

Post modern societies are, therefore, characterised by this discrepancy between expectations and the ability to satisfy growing needs.

This analysis makes the relationship between economic and welfare policies even more complicated. Placing welfare (understood as subjective perception of the satisfaction in one's own particular condition) at the centre of public policies is the basis on which the guide-lines regarding society are built, it enacts strong movement for innovation, and requires the actors to re-think the ends and objectives of the welfare system, no longer as a means of repair for the differences produced by the market, but as producer of improvement in the quality of life. On the other hand the development of well-being leads to the liberation of resources which are useful for local development (also economic). Literature, (Diener, Seligman, 2004) indicates that:
- the well-being of a population facilitates development of participation and the assertion of a democratic governance;
- happy people earn more than unhappy ones;
- happy and satisfied workers are better organised citizens than unhappy ones;

Fig. 2. Examples of demand stimulated by the economic approach and by the approach of well-being (taken from: Diener, Seligman, 2004)

<table>
<thead>
<tr>
<th>Dimensions of well-being</th>
<th>Economic approach</th>
<th>Well-being approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Society</td>
<td>How can the activity of the government stimulate economic development?</td>
<td>How can economic development influence well-being? How can the activity of the government influence the development of well-being?</td>
</tr>
<tr>
<td></td>
<td>How can the central bank influence unemployment and inflation?</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>How do inequality in income and the quantity of taxation influence economic development?</td>
<td>Does inequality in income influence well-being?</td>
</tr>
<tr>
<td>Labour</td>
<td>How do salaries influence productivity? What are the causes of unemployment?</td>
<td>What makes work satisfying and involving? Are satisfied workers more productive?</td>
</tr>
<tr>
<td>Physical health</td>
<td>How much does ill health reduce productivity? What costs (in money) and benefits are produced by the various treatments of disease?</td>
<td>Are individuals who declare a higher level of well-being actually healthier than those who declare a lower level? In what way does disease influence happiness?</td>
</tr>
<tr>
<td>Mental sanity</td>
<td>How does mental disease influence productivity? What are the costs to society of mental insanity?</td>
<td>To what degree does mental disease produce poverty? Can therapy increase well-being in the people who suffer from mental diseases?</td>
</tr>
<tr>
<td>Social relationships</td>
<td>How do a person's relationships influence his participation in the labour market? How are resources distributed within the family?</td>
<td>Why are married people generally happier than unmarried ones? How does geographic mobility influence well-being?</td>
</tr>
</tbody>
</table>
- organisations with high levels of satisfaction on the part of their employees also have more satisfied customers;
- work satisfaction is connected to productivity and the ability to create income;
- high levels of well-being are the precursors of longevity;
- people who seem to have low levels of well-being, show a seriously compromised immune system and consequently greater risks of getting ill;
- happy individuals present a minor rate of psychic pathologies;
- high levels of well-being are connected to an increased probability of having a happy and lasting married life, but they are also associated with a greater number of friends and social support.

All of these elements are factors which affect the creation of “sense” and the construction of a collective identity, they reduce the “paralysing” effect of risk enabling us to let free the emotional resources which empower us to take on responsibility and to develop supportive behaviour. In other words these aspects make it possible to set off virtuous circle reinforces the community and its ability to face risks.

1.3. Development, economy and well-being: the contribution of politics to welfare

The ideas brought forward in the previous paragraph put the creation of the conditions which stimulate the development and well-being of the population at the centre of our agenda. This, however, highlights the complexity of the relationships which are established in the process of the search for well-being.

A first kind of relationship regards the influence of welfare politics on the development of local economic systems. From this point of view two types of dynamics can be pin-pointed, like:
- the dynamics that contribute directly to economic development. The effects on employment are to be interpreted in this sense. Very few research projects have assessed the direct impact produced by employment in the sector of social health services on the local economic system, but it is easy to estimate that, for example, the national health facilities often make up one of the local economic hubs with the greatest number of employees;
- the dynamics that contribute indirectly creating the conditions which facilitate and support local development. Literature has introduced the concept of “the social 'determinants' of development”. This concept represents (and contains) the different external factors of the economic system, which contribute to the creation of “social conditions” which are useful for local development. These “social 'determinants' produce two types of effect: they affect the development of well-being directly, contributing to reinforce a feeling of identity, self esteem, a system of inter-relationships, and, last but not least the perception of one's standard of living; secondly they contribute to the development of the local economy, which in turn influences the well-being of the citizens.

Fig. 3. The “social determinants” of development (well-being and economy)
A review of literature on the topic shows that there are three “determinants” which are: health, social capital, and skills (capability).

As far as health is concerned, for example, Suhrcke (Suhrcke, Soute Arce, Tsolova, Mortensen, 2006), in their work on the contribution of investments in health to economic development in European countries, claims that healthy people are:
- more productive at work and have higher income levels;
- more present at their place of work, have less absences for illness and retire later;
- more inclined to invest in training and this contributes to improve their productivity;
- more careful to save some money and to invest in their old age, and this makes resources available for investments directed towards economic development.

The relationship between “capability” and local development is highlighted by the work carried out by Senn (1994, 2005) which see in the development of capability a fundamental strategy to pursue fairness and the freedom of the individual, but also, (if not above all) a way to release the potential human capital of any specific territory. The contribution of welfare politics towards this “liberation” of the potential of the single individual can be captured in two different directions, which are:
- the development of knowledge and skills of the individuals who find difficulty in finding a place (or re-placement) on the labour market. It is in this sense that we should interpret the politics of “work-fare” proposed by the Green Book of the government;
- the removal of all conditions which act as an obstacle to the entrance into the labour market. Think for example of the problem of double jobs (employment in the job market plus work in taking care of sick or elderly family members) of women and of the politics that support this system.
The contribution that the “social capital” can bring to the dynamics of development of local economy seems to be more complex and articulated. The concept of social capital has had great success, so much so that it has been used in several disciplines in spite of having some problems in finding a proper definition. Considering the aims of this article, there is no intention of entering into debate regarding the merit of the diverse perspectives from which social capital has been analysed, vice-versa the intention is to analyse the debate regarding the ability of social capital to contribute to local development. From this point of view it seems useless to bear in mind that a transversal analysis of the different definitions present in literature enables us to claim that the concept is built upon two axes, one linked to the structural aspect of the relationships between actors, the other regarding the cognitive dynamics which develop within the same. It is interesting to notice how literature indicates a positive impact on economic development produced by the dimensions of both the structural and the cognitive. In particular, the mechanisms on which to concentrate our attention regard:

- from the point of view of structural dynamics it is worth remembering that the existence of channels of relationships facilitate an exchange of information and the transmission of knowledge. Burt, in his work on “structural holes” (Burt, 2001) rests his attention on the importance of “bridging” relationships which connect different network systems. In particular, the positions on the borders of the net which, in building a bridge to other social networks facilitate the exchange of non-repetitive information, can lead to the development of innovation;
- from the point of view of the cognitive aspects, it is interesting to take up two further elements which are to be found in the definition of social capital and which are in a position to produce considerable effects on the economic dimensions of development. These aspects have to do mostly with the processes of construction (and consolidation) of trust, and the dynamics of confirmation and internalisation of social rules. Whiteley (2000) claims that, taking up the concept of social capital used by Putnam (2004) and Fukuyama (1996), in which there are different mechanisms by which civil
values influence social-economic performances. In particular “generalised trust” within a specific territorial context enables us to “reduce the costs of transactions in the market”. In support of his affirmations, Whiteley (2000) studied the relationship between trust and GDP, highlighting the existence of a direct relationship between the pro-capita gross product and the percentage of citizens who declare they trust others (see Fig. 4).

For Putman (2004) trust, respect for social rules and a social network increase the efficiency of the society because they facilitate the development of coordination. Also in the work of Coleman (2005), although he uses a partially different conceptual structure, the importance of social capital in the development of economic dynamics is underlined. Coleman breaks up the concept of social capital in three distinct parts, which are: the mutual obligations and expectations, the channels of exchange of information, and the social rules. In his analysis generalised trust plays a central role in “offering a guarantee of value to bonds”. This guarantee offers an incentive to a more supportive type of behaviour, thus reducing the tension towards the orientation of self-interest. This process leads some authors to speak of “we-rationality” (Sacco, Zamagni, 2002), built on a system of preferences shared by the group of social actors.

Fig. 4. The relationship between GDP per-capita and trust in others (Whiteley, 2000)
Re-reading the debate on the role of social capital in local development transversally, one can assert that:
- it increases the inclination to take risks, as it reduces the spreading of opportunistic behaviour;
- it reinforces motivation and the acceptance of responsibility, aspects which enable the actors to support innovative decisions and take risks;
- it builds and makes possible the application of “rules of social behaviour”, even reinforcing informal social control;
- it reduces the costs of transaction;
- it facilitates the dissemination of knowledge and of innovation;
- it produces beneficial effects on individuals and their context;
- it activates and orientates resources towards public property;
- it helps to keep the individual at the centre of attention.

In synthesis, we can assert that it is necessary to re-think our welfare policies as a factor intrinsically linked to policies of local development, not as a process of response (repairing) to the distorted dynamics of the market, but as a fundamental factor in the process of development, able to release resources and give sense and decisional capacity to the actors, and to consolidate the social capital necessary to support the governance of complex systems.

2. From standardisation to personalisation

The welfare systems which have consolidated little by little over the so called golden years have been strongly influenced by “Weber”, who aspired to an egalitarian treatment, and by an organisational culture deriving from “Ford”, centred around the standardisation of products and production processes. This “cultural climate”, was coherent at the time, with the logic of the welfare models based around the idea of the “male breadwinners”, and on the deriving homogeneity in the life course of most people. But the shift to post modernity has put this (apparent) coherence in a crisis. In fact
one is witness to a diversification in the life courses of most people, of the risks they have to face and of the resources they are in a position to muster. This discrepancy makes it necessary that the processes of re-definition of the welfare system, give up the idea of homogeneity and standardisation of intervention, to orientate politics towards personalisation. In this perspective it is important to re-think:
- the concept of the life cycle, in order to find others, more suitable to describe the life courses (and not the life course) of the single individual;
- the evolution and the diversification of the risks.

2.1. From Life Cycle to Life Course

Literature and national health policies have been using the concept of the “life Cycle” to interpret and manage the national health services. At the basis of this way of conceiving things lies the idea that every person, in his or her life, follows a predetermined path marked by events that end up by determining the social condition. These events become visible only (or nearly) within a certain period of life. Starting from this conviction people have come to speak about “life periods” and of “life cycles”. The use of the concept “life cycles” leads us to represent the life of an individual as broken up into phases which take place in a standardised way and can be extended to everyone in general. Every age of life is characterised by behaviour and experiences which define the existential context within which individual stories are built and identities are re-defined. These phases are determined by age, and like age, do not contemplate the possibility that they might represent the same conditions more than once during a lifetime. In other words, the passage from one phase of life to another brings with it a change in “scenario”, what has characterised that previous phase will not be repeated in the following phase.

The concept of 'life cycles' has been used to explain numerous social phenomena. Think for example of studies carried out on poverty which have
often used this concept to define the economic condition of a single individual. Already, at the beginning of the last century Rowntree (1902), in his “A study of town life” described five periods in the life of an individual, which presumed to represent and explain their economic conditions. This is the period immediately following the industrial revolution which saw the growth of power of the large factories, and a person's wealth, in those days, was directly in relation to his involvement with the labour market. In particular Rowntree claims that poverty depends on the number of people in a family unit able to work and produce income, or rather, on the relationship between the number of family members who produce economic resources, and the number of family members who consume resources. In this perspective the phases of life and “age” can be associated with two parallel factors, that is to say: an individual's entrance and exit from the labour market; and the building and dismembering of the family nucleus where this means parents, with other family members in some cases, having children and then parents and children no longer living together. The condition of the elderly, for example, held poverty as its main characteristic because this was a category of people no longer inside the labour market. In this case life cycles represented different phases in a straight line of events, in which the relationship with the labour market and the construction and dissolving of family members living together determines the life cycle of an individual. These brief considerations highlight a second segment of the social system, which has been studied using the concept of “life cycle”, that is to say the family. This approach assumes that individuals move in predictable stages (predetermined) characterised by different roles and behaviour patterns. Wells and Gubar (1966) forty years ago made the proposal of classifying the life cycle of the family using the following phases:
- the constitution of a new couple;
- a family with children under school age;
- a family with school age children;
- a family with adolescent and young adults;
- the reduction of the family due to the leaving home of the children;
- ageing and presence of retired parents.

The process imagined by Wells and Gubar is presented as a “constant” and never contemplates the possible return to a previous phase. The criticism, already put forward towards the end of the eighties, started out by noticing how this situation represented the reality of the American middle classes of the fifties and sixties, but did not allow for the expression of the complex and unstable family today. This type of set up has even been reinforced by the tendency of bureaucracy to look for 'fixed' or 'certain' rules, of easy application. The system of welfare services tends, in fact, to bureaucratise the concept of the “life cycle” finding a series of general rules to classify the 'belonging' of an individual to a particular phase of life, and converging his needs to the characteristics of that phase. We are of course talking about the classical process of standardisation of behaviour which is typical of every formal bureaucratic organisation.

The processes of transformation of our social system are showing signs of difficulty in utilising these logical categories, and a revision of the concepts utilised has become urgent. In this sense literature indicates the opportunity to take into consideration other concepts, such as “courses of life”, or “spirals of life”. Once again, it is worth stopping a moment to remind ourselves of the concept “courses of life” which substitutes a straight line vision of life with a more complex vision, for which the social changes which characterise people's lives are to be sought in the events and in the experiences that the individual encounters in his or her steps towards old age. Such events can reappear creating the conditions within which these personal experiences have already happened. Studies on family dynamics, for example, have introduced the concept of “courses of life” highlighting the fact that the family can change in relation to a large number of external events which make up the the family environment (demographic, historic and cultural factors). Dewilde (2003), in his review of literature in which he focused on the necessity to “de-institutionalise” the concept of
“life cycle”, has underlined some of the social dynamics which contrast with the attempt to consider individual behaviour in a standardised way.

In particular the author indicates a few social processes, such as:

**Fig. 5. The different perspectives of the various research models on the dynamics of evolution of the family (elaborated by McGregor, Bateman Eleison, 2003)**

| Life cycle development | - interprets the changes people undergo as a 'passing through' the phases of life, foreseen and predictable independently from the context.  
- assumes that individuals move through foreseen phases of life, learning how to carry out the tasks required of them.  
- society expects that the changes in life phase will carry with them the acceptance of a new role and that the individual develops a behaviour which is coherent with the new situation of his or her life |
|------------------------|-------------------------------------------------------------------------------------------------------------|
| Life spiral evolution   | - allows for the comprehension of the intergenerational context in the life conditions of the individual  
- interprets the fluctuation between the degree nearness or distance between the members of families that disperse, rebuild and reunite again during the passage between one generation and another  
- he definition of values, the decisions and models in relationships will have an effect on the generations that follow |
| Life transition         | - considers the unpredictable events or the critical events that occur in relation to the life style  
- assumes that the occupational situation, the 'status', the type of dwelling (etc.) will have deep implications in the management of resources  
- there are no rules in force or expected regarding the changes in roles |
| Life course, transition and evolution | - analyses the differences in the life courses of single individuals in relation to the changes and the complexity of the contexts (social, family, historic) in which life progresses  
- focuses particular attention on large groups of the population and on the changes that take place  
- assumes that the courses of life will change as a result of the changes that take place in the environment which influence the life and the changes which influence the single individual |
| Spheres of influence    | Assumes that there are eight spheres of influence which determine the life of an individual. Which situation of life a person is interested in. Which generation one belongs to depends |

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on elements pertinent to historical circumstances (cosmic, the biosphere), on the social system one belongs to (on the community, the family) and on unknown individual aspects

- the increasing professionalism of employment. The occupational development in the field of the professions has reinforced the bond between training and work, and this brings with it the request for higher levels of training in order to enter the labour market, delaying, and often creating a cyclic relationship between training-work-training. In other words, the entrance into the world of labour does not coincide with the end of the education-training phase;

- the labour market, once marked by preconceived stages, is now less stable. This makes the relationship between the steps that each individual must make, more variable. There is also a wider range of variables in the constitution of a 'stable condition' within which an individual can plan his or her life and consolidate the personal bonds in his or her relationships. But it also makes the end of the work period of life less well defined and less definite;

- the change in the production models of post-industrial society. This change has shown up a few elements with a high degree of instability. Let us think, for example, of the short life cycle of technology and new knowledge, and their rapid decline into the obsolete, or the speed with which new professions are developing which do not seem to have a well defined status or a clear and predictable income potential;

- family dynamics. It is useful here to remember the increase in the divorce rate and separations between couples, the development of cohabitation and of reunited families including children born of different couples from those who make up the cohabiting group. It should also be remembered that instability in the labour market and in the 'couple', ends up with more and more frequent cases of children who have left home, but come back because they have found some kind of failure in the relationships they had built or in the work they had experimented. The cases of “sandwich families” are also numerous, these are families in which a couple of adults cohabit with their
children and take into the family their elderly parents who are no longer self sufficient.

Combrink-Graham (1985), when introducing the concept of “life spiral”, emphasises the necessity to consider the changes in the situation of individuals as the product of interrelationships and interdependence in those chains which connect the life of individuals to the events that happen within the context. These events make up the external stimulus which requires individuals to define their own strategy. The differences in the course of life of each person are in fact the result of:
- the changes encountered;
- the complexity of the context in which their lives unroll;
- the strategies adopted in order to face external stimuli.

These different dynamics bring with them the necessity to consider life as a process of a multidimensional type, in which the phase of life is determined by the interlacing of processes which are neither “straight-line processes” nor parallel. These authors claim that: the “life course is a multidimensional concept, an amalgamation of many interdependent paths of the different institutional spheres of society. These paths are determined by a sequence of events of changes of state which are more or less sudden” (Combrinck-Graham, 1985). Within this perspective change is defined as socially determined between two positions in a particular sphere of life. Such events are no longer linked in a deterministic way to age, but concern the passage created between different “stages” of life. These events and changes produce different effects in the lives of the individuals according to:
- the nature of the events or changes
- the resources the individual has at his disposal (not only economic);
- the extension of the system of relationships the individual can fall back on and his or her social network;
- how well prepared the individual is to face change;
- the definition of the situation on the part of the individual;
- the strategies of adaptation the individual can fall back on;
- the availability of alternatives.

These elements clarify the complexity and not the standardisation of the processes which accompany the life courses. The changes in the situations of life are the result of a process of alteration which happens at different levels of the social system (dynamic, ecological and multidimensional approach), in relation to the following dynamics:
- economic and political at a macro-level;
- internal to the community the individual belongs to (labour market, relationship networks, etc.);
- internal to the larger group the individual belongs to (with reference to the values and beliefs that determine the individual's belonging);
- the intergenerational confrontation (natural and pathological) within the family;
- the redefinition of his or her own identity.

In other words the changes life brings can be ascribed to the interdependence between events that happen to a person and the dynamics of the social context in which the person is immersed.

2.2. Flexibility and the evolution of risks

The present systems of welfare all started during the modern age, in a sufficiently stable context (compared to the present state of affairs), in which risks were concentrated on the initial and final phases of life. The main risk, upon which the social protection system was thought up, was poverty (apart from health), and of the impossibility to produce income for oneself and one's family. This risk regarded the period before entering the labour market and the terminal phase of life, in which the elderly person was expelled from the working world. Working life was pretty stable for about forty years and in that period risks were connected to extraordinary events (disease, accidents, etc...) which could jeopardise the individual's ability to produce income. But the characteristic of “fluidity” of our post-
modern society has put into crisis the structure of the risks on which the modern welfare system is built. The end of the stability of the cycle of life has gone hand in hand with a spread of the risks over the entire life span of an individual, and with the necessity to confront the unstable processes, which are in continuous evolution. Taylor-Gooby (2004) suggests four processes which appear to be particularly important in the definition of new social risks. These processes are to do with:

- the great increase of women who have access to the labour market, faced on the other hand with a reduction in male employment. The critical points of this phenomenon regard in particular women with low professional skills and who have difficulty in combining the obligations of their job (which is paid) with their work of taking care of the family, which nearly always falls on their shoulders. Here develops a vicious circle because the work of taking care of the family (therefore the job of women) is particularly demanding in families with a very low income and with a low social family capital. In these cases families are not able to acquire on the market household help (household helpers, baby-sitters, minders for the elderly, day nursery schools, etc....), (in cases where no public intervention or social network exists), to support them in critical moments. This inability to cope with emergencies makes their relationship with the labour market precarious and so reduces the income available, thus feeding a vicious circle;

- the great increase in the population of the elderly (Bertin, 2009) has a heavy impact both on the system of social-health services, and on the pension system. This social process too, ends up by adding to the work of care taking carried out mostly by women;

- changes in the labour market. The speed of technological development and the globalisation of competition tends to reduce the demand for manual labour and makes the skills, once considered necessary to stay on the labour market, obsolete. This process makes employment less stable and more closely tied to the fluctuations of the market;

- the reduction in the presence of public services in favour of private ones means that there is a reduction in the protection against risks on which the
state had already built a response system. This seems to be particularly
dangerous in those services where a possible substitution on the part of
private people or a network of social support, does not exist.

To these we must also add the process of instability which is one of the
main features in the evolution of the family. Family dynamics, as has
already been shown, can no longer be represented by the idea of a “life
cycle of the family”, but they present a “spiral” or “life course” process, in
which the events that mark the changes (the building of the family, children,
the exit of the children from the family, the dismembering of the family) can
occur more than once in a person's life, building different bonds which, at
least, need a deeper analysis into the possible effects on relationships of
solidarity. But the passage towards post-modernity and the globalisation of
production processes have set off a series of phenomena which have an
important effect on the very structure of the social systems in western
countries, and in particular on life in our cities. The processes of social
transformation which are taking place, the dynamics of globalisation and the
rapid technological changes produced by “the internet society” are creating
considerable effects on the structure of our towns. Baumann (2007), taking
up a work by Ghaham and Marvin (2001), claims that: “in nearly all towns
in the world spaces or zones are being created which connect exclusively
with other privileged zones both inside the towns and at an international and
global level. At the same time, however, the insulation of these areas
separating them from the areas physically close to them but economically
distant is increasing”.

The literature which has undertaken to focus on the social changes in the
organisation of towns has highlighted how the dichotomy between the
centre and the outskirts is losing its capacity to keep in touch. If we read the
processes of transformation oriented by these observations, it is evident that
the zones which from an urban point of view are more degraded offer
dwellings at a lower cost and attract a population whose economic
conditions are underprivileged. Low rent end up by creating a disincentive
to estate investments in these zones, thus reinforcing the process of
homogeneity of the social groups who inhabit them. Once again Baumann demonstrates that these processes of polarisation lead to the birth of micro areas in which the “well-off” go and live, and this is to be found in situations of connection, even if only virtual, with other subjects who belong to the same world of values and relationships, and other micro-zones where a concentration is found of those who are excluded from the system and who do not possess the resources to participate in the game of globalisation.

According to Castells (1999), the result of this process is that “the spaces taken up by the higher classes expands on a global level, thanks to a wide network of exchanges, communication and experiences. On the extreme other hand, local and fragmented networks, often on an ethnic basis, hold on to their identity in order to defend, not only their interests, but in the end, even their survival”. The loss of meaning of 'Centre' and 'Outskirts' and the relative dynamics of social exclusion, contribute to the crisis in the process of the building of a sense of identity. The degraded zones end up in fact by attracting a part of the population whose main characteristic is some form of social malaise. Poverty, immigration and irregularity (or clandestine presence), end up by being mixed up and therefore constitute that from which one must defend oneself and show that one is different. The city is transformed, even from an urban point of view, trying to isolate the zones in which the processes of social exclusion are concentrated. As Castells shows, one factor which augments this process of diversification is most certainly formed by the migration processes in progress. The process of the construction of a sense of identity certainly takes place by searching within the cultural aspects in which to recognise one's own history. Identity is a mechanism of social integration, but at the same time it also represents a factor of diversification and social exclusion. Different cultures are often experienced as a threat, as aspects from which to defend oneself, and the communities who present similar identities tend to attract each other and to diversify (also geographically) from the cultures considered different and perceived as threatening to social order. Those who find themselves in a
condition of well-being often end up by perceiving as threatening and devious, not only those who have a different culture but also those who live on expedients and micro-criminality, as well as those who live in conditions of poverty. The literature which has studied the dynamics between well-being and malaise in consumer society show that poverty is often seen to be the fault or personal defect of the individual, a refusal to obey the rules of consumer society and not as the perverse effect of the exclusion from the processes of the distribution of wealth. Among other things, the poor who are not immigrants find themselves in a situation of even greater crisis because they often find themselves sharing a culture in which they do not recognise themselves. They risk feeling excluded both from the “wealthy society”, and from the other excluded groups, which reinforces their identity, which becomes based exclusively on a common ethnic and cultural origin. These processes end up by creating vicious circles which reinforce the mechanisms of social exclusion. In fact we can see the formation of vital groups made up of subjects who are poor in economic resources, in relationships, in social capital and in the ability to use cognitive and informative instruments. These conditions of exclusion end up by stimulating a consolidation of identity based on the denial of social rules, and the development of illegal behaviour and micro-criminality.

Literature and research on the topic which has studied the processes of transformation of the towns has certainly highlighted the presence of these processes of transformation and has reinforced the necessity to study these changes more deeply in order to define the social policies able to break this “vicious circle”. These transformations cannot only be considered as a problem of security of the citizens, even though that may be a fundamental aspect, but they must be revisited in order to develop the solidification of a process of the building of identity and legitimisation of “social rules”, the reinforcement of processes of inclusion and the construction of such conditions as will allow the citizens to make good use of their potential.

These considerations induce us to claim that a standardised response to social needs and to the risks that a person encounters in his or her life
always turns out not to be capable of producing significant effects in the personal process of building well-being and it probably represents a waste of resources. Furthermore, the passage towards a post-modern society is accompanied by unstable social dynamics, which risk an increase in the discrepancies and inequalities and reduce social cohesion. This situation activates an vicious circle which increases risks and reduces the resources (both economic and in relationships) available to people to help them cope with the critical situations they find during the course of their lives.

3. Towards what logic of governance

Another theme brought up by the “green book” is the re-definition of the processes of governance, a concept which is omnipresent in the debate, but which necessitates a few clarifications. In particular its ability to govern the complexity of the processes of transformation of the welfare systems passes through: i) a clarification of the nature of the concept of governance; ii) a re-visiting of the mechanisms of its regulation; iii) a re-definition of the “technologies of regulation” which risk becoming mere formal and bureaucratic form filling.

3.1. Governance: how to integrate hierarchy, market and network

Literature on the topic presents a definition of the concept of governance which do not coincide exactly, and they show how we are talking about a concept in evolution. The most interesting contributions, from this point of view, come from the works of Bevir, Rhodes (Bevir, Rhodes, 2001) and Stoker (1998), who formulated a first definition of the concept towards the middle of the 90s, and then, (particularly Rhodes), they went back to re-visit it ten years later. The necessity to consider a new concept in the government of the politics of welfare derives from the realisation of the complexity of public policies, and from the difficulty shown all too clearly by the
traditional mechanisms of regulation (market-competition, bureaucracy-hierarchy). The complexity of the system is characterised by the presence of different actors, who act autonomously but interdependent as far as the production of the final result is concerned. The system has undergone strong levels of differentiation which have produced the demand for integration which can no longer be pursued by means of hierarchic processes based on a vertical division of work. In actual fact it was this aspect which most contributed to make market dynamics ineffective. These dynamics were based on competition rather than completeness and integration, and the dynamics of bureaucracy, based on hierarchy and coercion rather than on collaboration and sharing.

The process of transformation of the systems of welfare is certainly affected by a re-definition of the responsibilities of the social actors regarding the quality of life of the population. Within the models of “welfare state” it is the State which assumes the responsibility for the citizens. On the contrary, in the welfare systems centred around the market it is the citizen (and his family network) who have to take the responsibility to face the risks present in the development of their existence. Finally the use of company subsidies or grants or welfare systems which highlight the necessity to share responsibility. In the first place it is the citizen's responsibility and that of his family, to take steps to face the social risks, and that of civil networks and social solidarity when the family is not in a position to face a critical situation they have come up against, and to a minor degree, the responsibility of the state. In other words, the path of company welfare overcomes the conflict between state and market and looks for a balance between the different actors. The other element which characterises the process of transformation taking place regards the role carried out by the single social actors in the process of distribution and regulation of the services. From this point of view, the most strongly debated element, and one in which literature presents a variety of hypotheses, regards the holder of the function and of the processes of regulation of the system. The hub of the debate has, for a long time,
revolved around the dichotomy market-state, the first centred on the mechanisms of competition, the second centred around the processes of hierarchy.

Fig. 6. The relationship between hierarchy, network and market (from Entwistle, Bristow, Hines, Donaldson, Martin, 2007)

Research into the processes of transformation has shown that, in concrete experience, these forms of regulation are not necessarily alternatives. This situation depends on the fact that:
- the market is not an alternative to the state, the job of the state is to support and regulate the market;
- society is not an alternative to the state but contains it;
- change has not determined a shift from one system to another. The development of network systems has not determined the end of the hierarchic processes. Every system tends to perpetrate itself, it changes but maintains a certain “ritual”, in its procedures and relationships.

Even Rhodes, in his revision of the concept, taking up some of the research works started earlier on the processes of the implementation of governance, claims that the pre-existing systems of regulation are characterised by inertia (or inertness) and they tend to remain. Governance does not appear to be an alternative process of regulation which has substituted the hierarchy of the market. Competition, hierarchy and social network are not necessarily alternative regulation processes, but in
government practice they overlap. From these considerations, the author arrives at the conclusion that the difficulties in the application of this strategy have their origin in the resistance to change of the apparatus of regulation. The complexity of the processes of regulation is underlined also by Powell (2002). This author, in studying the dynamics of regulation, focuses his attention on the proliferation of actors and control processes and calls our attention to the risks existing in what he calls “the society of controls”. In particular it is worth remembering that the regulation of welfare systems is influenced by the decisions and by the norms produced by the European Community, by the state, by the regions, by the local territorial boards but also by the organisms of representation of the social actors and the organisms called upon to carry out the function of controller. There also exists a second “axis” in the regulation which regards the processes of re-interpretation of the norms and the development of the culture (and of the instruments) which guide the management of the organisational processes of the actors and of their social networks. These considerations confirm the idea that the processes of governance are articulated at various levels and see the interaction of diverse social actors.

In this logic 'governance' should not be considered as a regulation system, but as a way to find an equilibrium between the various mechanisms which orient the regulation of the actors present in the welfare systems, orienting the processes of hierarchy, the dynamics of competition and the research for a sharing of the social exchange towards the general aims of the system. Starting from these considerations, Bevir and Rhodes (2003) highlights some elements regarding which the processes of governance can be re-thought up:

- the complexity of the system, characterised by the presence of different and autonomous actors, who have no bonds of dependence and who choose freely to belong to the system;
- the intensity and continuity of the relations between the actors;
- the nature of the relationships. In their interactive processes they establish exchanges meant to improve their ability to pursue their aims.
Every actor decides to belong to the system because he recognises his own values in the values and strategic aims pursued, but also because belonging allows him to carry out exchange processes of material resources, relationships and symbolic resources, which allow him to achieve a better balance in the resources used to pursue his strategic aims and to contribute to those of the network;
- the processes of negotiation through which the actors define the shared objectives and which are to be placed at the basis of the functioning of the system;
- the “interactive games”, which allow the 'player' to define the shared rules of belonging to a system and the rules which govern social interaction;
- the role of the state, no longer to consider itself as the only decision maker in the processes of government of public policies, but as one of the actors who carries out (according to the prevalent but not unanimous orientation of the debate) a function of direction and orientation of the other actors of the system;
- the articulation of the processes of regulation, which develop on various levels (multilevel governance) and involve the various actors (multi-actor governance).

3.2. Re-think the processes and the mechanisms of regulation

The passage from welfare state to welfare mix has been characterised by the diversification of the actors who deliver the services to the citizens. This situation has posed the problem of finding some quality institutions who create norms and are capable of accompanying this process of transformation. In this perspective the national and regional norms, and also scientific debate, have re-launched the idea of urgency and the importance of developing a system of “accountability”. But even in this case we are talking about a concept which has seen diverse declinations and requires a few clarifications. Analysing an English dictionary one can easily become
aware that an individual can be defined as accountable for something when he or she is responsible for his or her decisions and actions and ready to explain them to anyone who asks”. This term evokes two aspects: the assumption of responsibility; and the willingness to make the results of one's actions known, with reference to the responsibility one has taken on. This concept is better represented by Hodge and Coghill (2007) according to whom “accountability is a complex combination of relationships between individuals and institutions. The participants exchange information and judgement influenced by values, ethical rules, competences and individual skills”. The complexity is due to the context in which one exercises the responsibility and to the system of actors within which the process is played out. In other words, a hierarchic system presents relationships between the actors which lead to attribute to the concept of responsibility (and ascribed by the single actors) details different from those accepted in a network system. For example, the exercise of authority and the hierarchic processes end up by inhibiting the construction of a climate which depends on mutual trust, an indispensable characteristic for the correct functioning of a network system. These ideas lead us to say that the structure of the mechanisms of regulation (which we shall also call: the technologies of regulation) must be coherent with the characteristics of the system of welfare. This idea is most certainly obvious, but in the practice of services it comes up against a regulation system, built within a system of welfare state, which tends to resist and stay around even where processes of transformation are taking place. Like every system, it is made up of processes, of roles, of social positions and of a culture, all of which tend to remain even when the reasons for their existence seem to have been exhausted. This statement becomes apparent when we compare the mechanisms of regulation which are the characteristics of our welfare system, with the “pyramid of regulation processes” proposed by Hodge and Coghill (2007). According to these authors the basis on which to build the organisation of net-work systems, must be the circulation of an ethical system, and of social rules shared by the actors. Once again the concept of social capital becomes the
centre of importance. A second level in the process of regulation has been defined as “soft” because it rotates around the idea of “self regulation” (Bartle I., Vass P.; 2007), that means to say, on the development of the control exercised between peers. Examples of processes of self regulation are established by the build up of rules of good and proper practice, following which, the members of a professional category get together to define what should be considered positive behaviour and what should be avoided. These peer groups thus define the social norms, or rules, to which the members of the group must adhere, and the penalties which help to develop a feeling of respect for the rules. Even the penalties, in this case, are seen more as a kind of recognition, of confirmation of the “identity of belonging” of the member than as the repression of devious behaviour. In this sense they are focused on the circulation of the rules, on highlighting the lack of respect, rather than on a punishment.

The processes of external control make up the body of those mechanisms of regulation called “hard” penalties. This level is realised through the building up of agencies (possibly made up of third parties) recognised by the system as instruments to verify the coherence and appropriateness of the regulation processes realised at a level of “soft” control.

*Fig. 7. The pyramid of the regulation processes (elaborated by: Hodge and Coghill, 2007)*
In this sense the regulation of this third level of the pyramid, is only meaningful if it is coherent with the previously analysed levels. At the bottom level of the pyramid we find the existence of a set of rules or norms and the subsequent use of the courts of justice. In order to be coherent with the regulation processes, this level must be purely residual, and activated only in cases where the intervention of the authorities is absolutely necessary to settle controversy and to confirm a correct interpretation of the rules. This proposal to regulate the system is based on the idea of integration between the various levels of the pyramid, none of which in fact seems able, alone, to develop and establish the governance of a complex system. Concentrating on the processes of self regulation (social rules, widespread control systems and processes of self definition of the norms) should allow us to build a general atmosphere of “a spirit of trust” and activate the necessary interaction based on the idea of a general “exchange of information and action”. These two processes will consolidate the social capital of the network, thus reinforcing the social rules and the feeling of trust and mutual support, which are fundamental if we want to develop the process of governance. But what system of regulation is evolving and being consolidated in Italy at the moment? Is it based on the logic of the pyramid we have presented? What weight is assigned to the various processes of regulation? The answer to this question is certainly a complex one and must bear in mind the differences which are present in the various regions. It is, however, possible to hypothesise that the regulation systems is based on rules and the consolidated bureaucratic establishment, which tends to resist all transformation processes. In other words, what we are looking at is an upside down pyramid, based on a weak system of sharing social rules, and, on the contrary, centred around the construction of external control systems which has given very little value to any attempt to build a system of self regulation. The use of the law to impose enforcement of the rules tends to be the prevailing method rather than the exception.
This situation is risking the transformation of the regulation mechanisms into processes based purely on the execution of bureaucratic paperwork, thus depriving them of the ability to govern complexity. The break in continuity between regulation and government creates the necessity to call in the 'law' or formal authority (emphasis is on the norms and on external control). Literature on the subject has indicated that by calling on the formal authorities to intervene, (not as an exception but as the rule) we undermine the construction of “a spirit of trust” and, quite the opposite, we favour opportunistic behaviour patterns. In this context the regulation of a complex system requires an enormous effort to upturn the pyramid of the mechanisms of regulation bringing it back to a position which is coherent with the nature of the system which is to be regulated. In order to do this it is important to manage to:

- reduce the impact of the hierarchic processes, substituting formal authority with the legitimisation of the actors;
- stimulate supportive behaviour and combat (even using penalties) opportunistic behaviour;
- develop the involvement of the actors, the negotiation and the sharing of the aims;
- stimulate the processes of sharing of the social rules, not simply as a process of socialisation but as the product of a process of the creation of “sense”.

To this end Bovaird and Loeffler (2007) suggest some criteria for the judgement and evaluation of the quality of the processes of governance.

According to these authors it is fundamental to:
- activate a democratic process of decision-making;
- involve the population and the stakeholders;
- build a process of transparency,
- consolidate processes of accountability (making people more responsible and willing and ready to account for their actions);
- develop social inclusion and fairness (of opportunities, use, cost and access) for disadvantaged groups;
- treat citizens in a correct and honest way;
- give added value to: personal initiative, the willingness and ability to work in partnership;
- develop the ability to compete at a global level;
- respect the role of the law;
- respect the rights of others;
- respect diversity.

3.3. Carrying out bureaucratic paperwork or government processes: evaluation

The green book states that: “the construction of the new welfare system must provide itself with constant monitoring and an approach which aims at reaching one objective at a time, in order to enable the decision makers and their social interlocutors to measure continuously the distance between expectations and results, the actual utilisation of the policies adopted, the opportunity to correct in cases where the two differ, a confrontation with the systems in use in countries who are our competitors”.
In this way we will be underlining and reinforcing, even if we don't mention it, the importance of evaluation. In this case too, however, it is a good idea to make a few clarifications in order to turn evaluation into a process which is able to support the management and the government of the welfare system. Campbell and McClintock (2002), when analysing the evaluation techniques, noticed that these practices came up against debate over the necessity to combine two different requirements which are:
- the characteristics of the methodological debate amongst the people who deal with evaluation, worried about the search for reliability and respect for the rules of the scientific method;
- the necessity to respect the internal culture of the organisations, their times and dynamics in decision making processes.

The authors themselves realised that any research activated from the outside, as a formal means of accounting for actions, has produced scarce concrete results. They claim in fact that “when evaluation is only used for “rating, classification or sorting”, then organisations are only motivated to demonstrate to others their suitability for quality control”. Besides, the few research programmes (Hernandez G., M.G. Visher, 2001) who have studied the impact produced by evaluation practices on management processes and in the quality of life of the users, highlight a critical scene, characterised by some difficulties, such as:
- confusion regarding the method of definition of the information to consider most important (core information) in the development of decisional processes of non-profit organisations;
- a tendency to rely on the measurement of output of the programme, rather than on the measurement of results towards customers or clients;
- a lack of measurements on quality and the efficacy of the programmes;
- a lack of automatic or manual programmes which make it possible for the management to generate reports which are useful to the staff.

One sees therefore an increase in the request (both internal and external) for evaluation, the reply to which often sees evaluation as another activity, or rather as a bureaucratic procedure to be added to the normal management
processes of the organisation. The set up of these dynamics de-legitimises the request for information and generates frustration, in as much as the people involved are called to produce information, but they do not receive any back, as a result. In open organisations which are based on the production of trust (Pelligra, 2002) information is a resource to be exchanged and its quality depends on the advantage perceived by the actors. The development of asymmetric information processes and the lack of mutual profit from the processes, end up by creating non-collaborative conditions among the actors of the system. These factors require us to meditate more deeply on the characteristics which the evaluation practices should assume, in order to overcome the tendency for self reference or the lack of connection with the organisational processes. In other words, we need to re-define some evaluation processes which are able to combine and integrate respect for methodological rules of social research, and the dynamics and the nature of the organisations which operate in this sector, their organisational and decision-making processes (Bertin, 2007).

The perspective of approaching the dynamics of organisational development with the evaluation practices, assigning to them the job of supporting the processes of learning and sharing of knowledge, makes it vital to pay attention to the communication of the results of evaluation. This way of conceiving evaluation puts the actors in a central position regarding their decision-making and their need for information. This statement allows us to clarify the concept of communication of results, understood, not as the mere passage of information, but as a process in the construction of a language and a cognitive structure which permits the exchange of knowledge. The relationship with the stakeholders and with all the actors who preside over the decision-making camp, does not regard exclusively the conclusive phase of the process, nor can it be predicted only at the beginning and at the end, but it must accompany and pervade the whole stage of the development of evaluation practices.

Research on the possible impact of evaluation practices on organisational processes has highlighted the presence of some factors which have a strong
effect on the ability of evaluation to translate into operative decisions. Among the different elements which arose from this survey, it is worth remembering:

- the ability to establish a real engagement on the part of the stakeholders, understanding clearly the dynamics of the decision-makers (of the politicians and of the bureaucratic apparatus in particular) and overcoming immediately their resistance to this opportunity of evaluation. This resistance is connected to the real risk of the reduction in the margins of intrinsic autonomy and ambiguity which accompany decision-making processes;

- the culture of the organisation, and the propensity to accept the messages from research, considering them authoritative and legitimated to contribute to the decision-making process;

- the legitimisation of the people who carry-out the evaluation and of the techniques of research utilised. From this point of view it is fundamental to manage to build a validation process with the stakeholders and with all the decision-makers in order to legitimise the design for the evaluation proposed and the subjects called to realise it;

- respect for the timing of the decisions, and the production of information which is coherent with the dynamics of the decisional process (it is useless to produce good information once the decision has been made);

- transparency and “neutrality” on the part of those who manage the process of collection and analysis of the information. A selective transmission of the information, oriented exclusively in the light of the objectives and the purposes of those who manage the evaluation, ends up by de-legitimising the whole process;

- the nearness to the decisional processes, that is to say the ability to take responsibility for the necessity for knowledge of the decision-makers;

- the communication codes adopted and their ability to relate to those utilised by the stakeholders.

These recommendations appear the more necessary the more the organisation entrusts the job of evaluation to some of its own components
(internal or external), and it ends up by being the less pregnant the smaller
the distance between those called to manage the process of evaluation and
those called to use the product of the evaluation practice as a motor for
organisational behaviour.

These ideas show that the transformation of the system of welfare
contains incoherences with the nature and the characteristics of the
processes of regulation. The diversification and the articulation of the
system has made evident the increase in its complexity and its consequent
inability to govern regulation processes based on hierarchy or on
competition. The distance between the system and its regulation requires a
re-visitation of the processes and the “technologies of governance”. Such re-
alignment must be based on the consolidation of the organisation of
relationships and on social capital and the development of instruments of
self regulation based on the needs of the management and government of
the actors.

Conclusions

The present phase of transition of the models of welfare requires the
revision of the principles on which the development created during the
“golden years” was based. This revision must be played around the concept
of integration and personalisation. The economic dimension can no longer
be considered as super-ordained or independent from the dynamics of the
social system, but economy and society must be merged together (Rullani,
2006). The responsibility regarding the production of well-being does not
belong to one sole social actor, but requires the mutual sharing of
responsibility between the diverse subjects who are the life and soul of the
welfare system (Rodger, 2004). The governance of complex systems must
be able to integrate the dynamics of competition, of hierarchy, of trust and
of social exchange (Rhodes, 2007). The 'liquid' quality and the instability of
post-modern society are changing the structure of risks and the needs of the
people, diversifying them. A transversal re-reading of the lines of re-definition of the welfare systems enables us to pick out a few key words which can build the new “cultural structure” on which to base the future welfare systems. We can imagine that the change will take us:
- from standardisation to personalisation;
- from segmentation to integration;
- from the individual to the community;
- from coercion to sharing;
from delegation to co-responsibility.

Besides, this shift of cultural paradigms has characterised the internal debate in many European countries. As an example we can remember that the National Economic and Social Forum of Ireland holds that the development of social capital must become one of the supporting columns of the new welfare policies, and that for this reason it is indispensable to:
- balance the processes bottom-up and top-down;
- stimulate mutual respect and the promotion of rights;
- facilitate the activities of the citizen based on mutual aid and the creation of a sense of responsibility;
- support the construction of partnership between citizens, community, intermediary agencies and government bodies;
- recognise and support voluntary activities;
recognise and give added value to the role of local communities.
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