

Social Welfare State Transformation: Global Trends and National Prospects

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Abstract

At present, the transformation of the welfare state is becoming global. Around the world, new welfare state institutes and social services forms are developing, which create significant consequences for people in need of social support. The paper focuses on global transformation trends and national prospects for their implementation in the Russian welfare state. The research methods were the all-Russian survey (N=2047) expert interviews (N=27) and focus groups with clients of social services organizations (N=15) conducted in various regions of Russia as well as the literature review. The findings demonstrate the global trends in the mixed welfare systems associated with NGOs and civic activities and neoliberal ideology, which suggests developing principles and tools of marketization, managerialism, and consumerism. In current Russia, a legal framework for welfare state transformations was created. However, paternalistic attitudes are still rather strong, and the majority of citizens believe that government should be primarily responsible for their well-being, and NGOs face many barriers to their activities. In conclusion, it is emphasized the transition of the welfare state to mixed welfare. The development of the global process is caused by the inefficiency of the traditional forms of social support to solve the problem of social inequality and is not an appropriate response to new social risks. A consensus is needed between citizens' expectations and social policy based on social justice, equal opportunities, social inclusion, and equal access to high-quality education and health care.

Keywords: Welfare State, Mixed Welfare, Global Trends, NGOs, Social Services, Russia.

At present, the transformation of the welfare state is becoming global. Around the world, new welfare state institutes and social services forms are developing, which create significant consequences for people in need of social support. The process of transformation of the welfare state is also typical for Russia. The article presents the results of a study devoted to the issues of identifying global trends in the transformation of the welfare state and their manifestation in the development of the Russian social sphere, as well as national specifics, primarily related to the role of NGOs and the forms of interaction between NGOs, state authorities, business, and citizens.

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The main **research methods** were the analysis of scientific papers on the development of the system of social services and assistance in Russia, as well as the analysis of previously obtained empirical data, including the results of the all-Russian survey (N=2047) on social services for the population, including attitudes towards the state and non-state social organizations, as well as expert interviews (N=27) and focus groups with clients of social services organizations (N=15) conducted in various regions of Russia in 2020-2021.

The mixed welfare state and social partnership

The modern global trends of welfare state transformation are mainly associated with the mixed welfare system and social partnership. The prospect of a solution for the “social question” in welfare states is currently associated with the stimulation of civic activity; there is a shift in emphasis from the distribution mechanisms of public goods to initiatives coming from associations of citizens themselves. The crisis of welfare states in the 1980s and 1990s and the emerging debate about a “third way” between the market and the state has stimulated the development of theories to explain the emergence of NGOs as producers of social goods (Bridge et al. 2009; Giddens 2000). There has been the development of the concept of public benefit, the theory of the influence of models of states and social services on public organizations, and theories of trust in which NGOs are recognized as more capable and reliable service providers than private ones, although the limitations of NGOs are also stipulated. For example, non-commercial providers in competition with private ones may be less efficient, and state regulation of the market may affect the demand for their services in general (Borzaga, Tortia 2010). In any case, the reasons for the emergence of NGOs are seen in the inability (or lack of motivation) of the state, as well as the limited capacity of the market to meet the various social needs of citizens (Etzioni 1973; Salamon, Anheier 1996).

The concepts of a mixed welfare system for the production of public goods focus not so much on the specifics of each sector, but on their interconnectedness, which provides the necessary effect to achieve the quality of the produced public goods (Pestoff 2012; Salamon, Toepler 2015). The non-profit sector becomes a mediator in the interaction between the state, the market, and households (Evers 1995). In this regard, researchers pay attention to the ways in which state authorities interact with NGOs as partners in intersectoral relations within the framework of the theories of “soft management”, and “indirect state management”, which differ from “hard management” methods based on laws (Pestoff et al. 2012; Agranoff, McGuire 2003; Salamon 2002). In this regard, special attention is paid to social partnerships. In the theories of social partnership, the public/non-profit sector is assigned the role of a representative of the interests of civil society and an intermediary between government, business, and the population. The social partnership of the state with the non-commercial and commercial sectors forms the basis of a mixed system for the production of social benefits.

The findings demonstrate that the global trends of the welfare state transformation are associated with neoliberal ideology, which suggests developing principles and tools of marketization, managerialism, and consumerism. Marketization means creating social services market, which implies the development of the non-government sector. In Russia, this process takes place with the leading and controlling role of the state. Managerialism supposes using business administration principles in the production and provision of social services in order to increase efficiency. Consumerism assumes significant client rights including the choice of the social services provider. In current Russia, a legal framework for welfare state transformations was created. However, paternalistic attitudes are still rather strong, and the majority of citizens believe that the government should be primarily responsible for their well-being.

Russian prospects of welfare state transformation

The formation of a mixed system for the production of public goods in Russia is characterized by the active involvement of NGOs in the field of social services and the diversity of regional practices (Zabolotnaya, Larionov 2017; Topoleva-Soldunova 2019). Transformations of the sphere of social services affect the interests of the majority of the population, dictating the need to verify new approaches to understanding the nature of welfare in the regional context. At the same time, a number of fundamental tasks of social services are being solved. There are expanding opportunities for a differentiated and personal approach to the provision of social services, as long as NGOs are created in accordance with the specific needs of people (Starshinova, Borodkina 2020).

In Russia, as in other countries, there is a *structural transformation of the non-profit sector*. For many years it is based on NGOs and voluntary associations, the distinguishing characteristic of which is the lack of focus on making a profit and the impossibility of its distribution among members of organizations. However, the state stimulates the development of social entrepreneurship, as a result of which social enterprises appear and individual forms of social services are developed. The expansion of the non-profit sector of social services is also due to the emergence of new funding mechanisms, for example, through a system of grants (Starshinova, Borodkina 2022). At the same time, it should be noted that experts assess the impact of state funding on the non-profit sector of social services ambiguously. Permanent public funding can gradually crowd out other sources of income, but it can also attract various financial flows, as organizations seek to intensify their efforts and diversify sources of income in order to maintain a budget source, including by creating a favorable image (De Wit et al. 2017; Miko³ajczak 2018).

The ongoing administrative reforms lead in practice to the fact that regional/local governments in the field of social services transfer part of their powers to various social service providers, interaction with which is characterized not only by cooperation but also by competition. The state, acting as a customer of services, also performs the function of maintaining competition by creating equal conditions for all participants in the production of social benefits. The formation of a market of social services in the regions, which is targeted by the reforms, therefore implies a certain level of competition. At the same time, the activity of NGOs is influenced by the level of integration with state social service institutions; the frequency of collaboration between NGO professionals and their counterparts in government agencies can be especially important to improve the organizational planning and performance of these organizations. The network involvement of NGOs also contributes to increasing the authority in society and attracting donations, grants, and subsidies. Network interaction has an impact on the likelihood of an increase in the number of recipients of NGOs services, recognition and increased confidence of potential donors and volunteers, and opportunities for interaction with other participants in the social services market (Faulk et al., 2017; Cho et al., 2014). The factor influencing the development of the non-profit sector is a public trust. According to the results of the research, "practices based on trust increase the efficiency of institutions and reduce the costs of their functioning", and mass distrust violates the institutional unity of society, which ensures the maintenance of public order in modern ways. Trust is seen as a set of socially justified and socially confirmed expectations regarding the activities of the non-profit sector of social services, it affects the willingness of citizens both to receive the services of NGOs and to donate funds to charitable purposes (Mersiyanova, Korneeva, 2017; Starshinova et al. 2022).

An analysis of the structure of the non-profit sector shows that the density of organizations is closely related to citizens' awareness of the sector, and awareness, in turn, is closely related to their confidence in the effectiveness of non-profit organizations. The lack of proper information is a serious obstacle to the development of civic participation practices and contributes to the formation

of a skeptical attitude of the population towards non-profit organizations, reducing the potential of institutional forms of civic engagement (Golovin et al. 2020; Starshinova et al. 2022).

The state is interested in transferring some of its powers to new producers of goods - NGOs, since their entry into the sphere of social services creates opportunities for the optimization of expenses on the social needs of the population and ensures the fulfillment of obligations in response to the growing needs of citizens. As a result, the state aims to invest significant resources in the development of NGOs as providers of social services. Regulatory, legal, and organizational forms are changing that allow new participants to be included in social services, and special mechanisms and principles of their interaction with the state are emerging (Mersiyanova, Benevolensky 2017; Starshinova, Borodkina 2020). The need to transfer part of the powers to regional and municipal bodies on whose territory NGOs operate inevitably leads to decentralization of management. It is assumed that the emerging system of institutions and organizations will promptly and flexibly respond to the needs of the population, increasing the availability and quality of services. In other words, in Russia, the welfare state (as well as welfare states' policy in other countries) is losing its dominant position as a producer of social goods and is beginning to function as a customer, while the importance of the non-profit sector in the mixed welfare system is increasing. However, the formation of a new structure for providing citizens with social services guaranteed by the state is accompanied by a number of problems, including the unwillingness of social groups and individual citizens to enter into new relations with the state and non-profit structures.

Despite the ongoing structural changes, in Russia, unlike most Western countries, the main provider of social services is still state organizations. This circumstance is largely due to the strong paternalistic attitudes of the population, the administrative advantages of state organizations, the weakness of civil society, and the low level of Russians' trust in non-state organizations. According to the data of the All-Russian survey, the main factor of Russians' distrust in non-state social service providers is the stereotypes widespread in public opinion about the unconscientiousness of people working in NGOs, as well as the belief in the need to pay for services provided by NGOs. These attitudes are a consequence of the low awareness of citizens in general about the system of social services, and, in particular, about the procedure for providing services to citizens who are entitled to free services (Starshinova et al., 2022).

The significant institutional and structural transformation Russian welfare state became possible also with a change in the sources and mechanisms of financing, the procedure and methods for regulating their activities. In the current socio-economic conditions, when Russian NGOs do not have the opportunity to receive foreign funding, including major international humanitarian organizations and foundations, and most non-profit organizations have reoriented to state funding from the federal or regional state budgets. In many areas, NGOs are already clearly demonstrating advantages as providers of social services. NGOs are characterized by flexibility, the ability to attract additional resources and work in conditions of limited funding, recognition and approval of an individual approach to recipients of social services, and the ability to diversify the range of services and provide additional services.

It should also be noted that in Russia there is a change in public attitude towards the non-profit sector of social services in the direction of increasing its role and importance. A significant role in this process is played by young people who are more dynamic and open socio-demographic groups and demonstrate support and trust in NGOs. At the same time, the non-state sector of social services itself pays more attention to youth needs than state providers (Starshinova et al., 2021). The research results demonstrate that satisfaction with the services received in NGOs and the experience of interaction with them, dissemination of information about their activities have a positive impact on the transformation of public opinion in relation to the developing sector, displacing

the prevailing stereotypes (Starshinova et al. 2022). At the same time, in Russia, it is the state that remains the main actor in the implementation of social policy at all levels. By creating legal and financial opportunities for the development of the non-profit sector, the state, and not civil society, primarily exercises control.

Conclusion

The welfare state in Russia is undergoing significant institutional and structural changes, which are largely of a global nature; first of all, this process is related to the development of the non-governmental sector of social services. It should be emphasized the transition of the welfare state to mixed welfare. The global and national transformation processes are caused by the inefficiency of the traditional forms of social support to solve the problem of social inequality and are not an appropriate response to new social risks. In many countries, the attempts by governments to make social services more efficient based on neoliberal ideology face strong paternalistic expectations of some vulnerable groups and criticism from professionals. Russian attitudes towards public services also contrast sharply with the neoliberal trends in social policy associated with developing new governance and strengthening individual responsibility. A consensus is needed between citizens' expectations and social policy based on social justice, equal opportunities, social inclusion, and equal access to high-quality education and health care. In Russia processes of transformation of the welfare state are taking place along the path of a mixed welfare system, but with a dominant role of the state.

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