

Local welfare systems: a challenge for social cohesion

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Abstract

In recent decades local welfare systems have been emerging in many western countries as a consequence of bottom up and top down transformative pressures. We define local welfare systems as dynamic arrangements in which the specific local socio-economic and cultural conditions give rise to different mixes of formal and informal actors, public or not, involved in the provision of welfare resources.

In this article we present some of the most important implications related to the emergence of local welfare systems and the challenges they face in seeking to build social cohesion. After a brief description of the reasons that justify a local approach to welfare we provide an account of the scientific debate on local welfare and indicate the possible relations and tensions between the emergence of local welfare systems and the production of social cohesion.

Keywords: welfare system, social cohesion, local context, social services, subsidiarization

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Introduction

The transformative processes that impacted industrialised countries from the 1960s to the 1990s have produced an economic and political crisis of welfare systems and have focused attention on the role of local contexts in favouring economic development and citizens' well-being. Different factors have contributed to this crisis: the difficulty in financing large sets of welfare measures for populations which are becoming increasingly demanding of support; the lack of legitimacy of welfare systems based on homogeneous provision of services for more different populations whose labour market position and individual demands have become more heterogeneous; institutional pressure from European institutions to shift policy responsibilities (Brenner 2004; Ferrera 2005, Moulaert, Wilson and Swyngedouw, 1988) toward local administrations.

The localisation of welfare systems is sustained by three main arguments: they are considered to be more effective, more participative (democratic) and more sustainable. The effectiveness argument is based on the postulate that in complex societies individual needs are met with higher accuracy by welfare policies which are tailored more closely to their specific context. The democratic argument relies upon the idea that localisation of policies will facilitate the activation and empowerment of citizens, facilitate the activation and participation of non-governmental actors in decision-making, therefore opening the arena to civil society

organisations and strengthening democracy. Lastly, the search for improved provision and sustainability of services at the local level was and is based on the need to contain increasing costs of the national welfare state by giving more narrowly defined duties to local governments in terms of financing and/or spending, and by raising new resources for welfare needs from local economic actors and social groups.

In the last twenty years many local government bodies have become stronger actors in planning, financing and implementing social policies: social assistance, elderly and child care, labour market, and health care¹. The current configuration of many welfare systems (Esping Andersen, 1990) can be seen as a mix of central and local policies, where the term “local” stands for government bodies at a lower territorial level than the central government, i.e. counties, regions, municipalities, provinces, *comunidades*, etc.

This new focus on the local dimensions of welfare systems does not mean that welfare policies can be considered to be local products. In almost every country, national laws and institutions maintain an essential function in defining the frameworks and the resources for the main welfare services, such as pensions, health care, social assistance. What is changing is the specific configuration that takes place when national welfare frameworks are implemented in local contexts, with their specific needs and resources.

In order to take into account the spatial dimension beyond simple description, we propose the concept of *local welfare system* (LWS). Local welfare systems are not to be thought of as fixed and stable structures, but as dynamic processes in which the specific local socio-economic and cultural conditions give rise to a) different arrangements of formal and informal actors, public or not, involved in the activation and implementation of the welfare policies and b) the definition of different profiles of people in need (see also Mingione and Oberti, 2003).

The article seeks to contribute to the debate on local welfare with a twofold aim:

- to explore, through a selective review of the research streams, whether and when local welfare is better able to match offer and demand for welfare services and in this way to foster social cohesion;
- to understand how the concept of local welfare is used in the different research streams. We claim that the spatial dimension in welfare policy research is too often neglected, and that even when considered it is conceived as spatial variation (deviation), as though it were an inconvenience. We propose that one way to give the spatial dimension its due importance is to use the concept of the local welfare system (LWS).

The article breaks down into five sections. In the first we introduce the terms of the connection between local welfare and social cohesion. In the second we deal with the rescaling research with emphasis on the new solidarity principles based on territory. In the third section we tackle the second research stream and its internal differentiation, considering activation as a key element of local welfare, deploying the different meanings of activation and the relationship with local welfare and social cohesion. In the fourth paragraph we deal with the research stream focusing on participation and social cohesion. For each research stream we will discuss the use and the concept of local welfare. In the conclusion we put forward the concept of the local welfare system as a useful tool for the analysis and understanding of the role of the local dimension in the changes currently underway.

1. Local welfare and social cohesion

The local dimension of welfare is not new; it has always been present in the state-regulated welfare models of the Fordist age as well, though in that period local governments were considered to be mere transmission belts for policies that were centrally defined (Brenner, 2004). What has changed and is changing in many European countries is the structural transformation in the regulation of welfare policies induced by

two different processes. On the one hand, the devolution of responsibility from the central government to local bodies – vertical subsidiarity – has largely shifted the responsibility to enforce social rights to local bodies, formally or de facto. On the other hand, the pluralisation of actors involved in the provision of social services – horizontal subsidiarity – has multiplied the number and type of (central but mainly local) stakeholders. These two processes are interconnected, and their parallel development has been defined as “subsidiarization of social policies” (Kazepov 2008, Moreno 2003).

The shifting of welfare systems from central to local levels is a diversified and complex process, with possible positive consequences as to efficacy and pertinence of social policies, but also possible negative implications in terms of a lack of control capacities on the part of local governments, territorial fragmentation, and inequalities threatening a nation-wide social cohesion. As we will explain in the next section, the emergence of local welfare systems is closely linked to the rescaling process of the national welfare systems. If the latter proved unable to eliminate strong social inequalities and polarized social conflict from industrialized societies, they were nonetheless able to guarantee a kind of social cohesion, based on Fordist occupational structures and stable familiar models. With the emergence of local welfare systems, the main debate that scholars and policy makers are facing is to understand if and to what extent this new

configuration of the welfare system is able to build a new kind of social cohesion, in which people can maintain fundamental social rights and activate their own resources at the same time.

The scientific debate explicitly referring to local welfare policies and social cohesion – and social solidarity as one important dimension of social cohesion (Kearns and Forrest, 2000) – is not widely developed; it is only in the nineties of the last century that it has emerged, in relation to decentralization and territorialization of welfare policies. International organizations (e.g. Organization for Economic Cooperation and Development, World Bank, and alike) and in particular the European institutions – European Commission and Council of Europe – have played a major role in reviving and shaping this debate, making the explicit link between the following concepts: subsidiarization and territorialisation; activation, employability, empowerment; social investment, social cohesion and local economic development. Current research literature regularly refers to these concepts, focussing in turn on specific combinations that foster or hinder social cohesion.

In the introduction to this special issue , the editors recall the relationship between welfare policies (and labour market policies) and social cohesion, via the efforts to keep social and economic inequalities and exclusion from access to resources or markets under control, and via a new understanding of citizenship as that responsible participation in public

affairs which is possible only if people are full citizens enjoying equality of opportunity. In this article, we refer to these two perspectives on social cohesion: access to welfare resources (labour market, social services....) and participation in welfare resources². These perspective lead us in identifying the three main research streams currently existing in the debate on local welfare and social cohesion.

The first stream is about how the rescaling of welfare state changes the framework of social solidarity (and redistribution) of both national and local communities. The other two research streams focus on the implications of this new framework in terms of activation of recipients and participation of civil society groups in local governance arenas. The distinction between these research streams must be understood as an heuristic tool (although many authors deal with all of them simultaneously).

2. The rescaling of welfare and its principles of solidarity

The relationship between the persistent role of national welfare systems and the local arrangements (in terms of partnership and governance, in terms of financial and economic resources, degree of discretion ...) gives rise to an important stream of research which refers to the rescaling of welfare policies (e.g. Ferrera 2005 and 2005a, Moulaert, Wilson and Swyngedouw, 1988, Moreno 2003, Kazepov 2008, Keating 1998). Such

scholars describe how, after the universalistic phase of welfare systems, some differences are emerging even in countries belonging to the same geopolitical area, or belonging to the same welfare system, in particular with regard to the relationship between centre and periphery.

In these studies, local welfare is identified mainly in terms of political and administrative levels at which welfare responsibilities are demanded, so local welfare is in turn identified with local administrative boundaries (regions, lands, counties...); the focus is on the political and institutional level.

Rauch (2000) points out that when the rescaling process is not accompanied by common standards and financial resources provided from central States, local social policies are more dependent on the discretionary power of local administrations and on the capacity of advocacy of civil society actors. In this case, the greater autonomy at the local level leads to a weakening of the guarantees of a high level of social protection. Rauch mentions Denmark as an example where the high level of State regulation of local authorities' social policies, even with a decentralized fiscal system, enabled the maintenance of a universally high level of social protection. The presence of such a regulatory role of the State has a crucial role to play in the building of social cohesion as well, by guaranteeing citizens' rights independently of the local conditions in which a person is embedded.

Other contributions highlighted the problematic effects of the rescaling process of welfare. For example, one school of thought emphasizes that the development of LWS weakens social protection guarantees and brings about an increase of inequalities at the local and urban levels (Crouch *et al.* 2001, Preteceille 2006). Such weakening in social protection originates from the *retrenchment* of resources available for welfare systems, as well as from the weaker resources of local actors for social rights advocacy (Procacci 2001). Though many critics have commented on the problematic effects of rescaling social policies toward the local level, some authors (Powell and Boyne 2001, Ranci 2005) have highlighted the innovative implications of the retrenchment of public resources for social protection. According to this point of view, the lack of resources from the State can foster the capacity of local administrations to search for new local resources to be activated in the provision of welfare services, such as private firms or users associations.

Within this research stream a special focus is on how the shifting of welfare systems toward the local level and toward the European level (Guillèn and Palier, 2004; Ferrera, 2005) is reshaping the solidarity principles on which the welfare state is based. As Massimo Paci stated (2008), the growing role of both European policies and local contexts in the welfare systems is changing the normative base upon which many European countries have developed their welfare systems: from solidarity based

mostly on working conditions to solidarity based mostly on the local context in which people live and on their capacity of activation.

Solidarity, in this new normative framework, is no longer related to the work dimension but to citizenship itself and to the activation of civil society. The Supiot Report (1999) was already oriented in this direction “with a solidarity based no longer on the job, but anchored to the citizen and the work, a worker who is experiencing several jobs, and who is experiencing life long learning”.

This solidarity principle entails a redistribution of chances and opportunities among groups and places (Kearns and Forrest, 2000) and, as Streeck argues: “Social cohesion is sought, not through equal outcomes, but through equal opportunity;(…), emphasizing individual effort and collective investment in competitiveness at least as much as social entitlements to minimal levels of reward or consumption” (Streeck, 1999, p.11). By relying not only upon working conditions but also on the capacity (capabilities) of citizens and groups to mobilize their resources and to actively participate in policy making, this kind of solidarity can be considered more active and reflexive (Donzelot, 2007, Beck, 2000) than the traditional solidarity based on work.

3. Local welfare and activation policies

One of the main strategies to reduce welfare costs and improve financial control (Pierson, 1994) over the national welfare system has been to promote the activation of citizens in building their own social condition. Starting in the eighties of the last century, activation features became more and more systematic with particular reference to unemployment and social assistance³. This strategy found its justification in the attempt not only to reduce welfare costs, but also to change the position of service recipients from passive (in the old standardized welfare systems) to a more active role. In this framework, activation as well as empowerment of individuals and communities and/or local contexts increasingly became key-words of welfare policies.

According to some authors, this implied a major paradigm shift, “reshaping” the welfare state from socialization of risks and collective coverage to individual responsibility and protection (Serrano Pascual, Magnusson 2007). However, forms and meanings of activation vary considerably and express very different, even opposite, versions of social citizenship (Barbier, 2001), even while sharing the general aim to raise incentives for people to enter the labour market (to go “from welfare to work”). Indeed, activation can be referred to workfare strategies in their strictest version, that is ‘a range of compulsory programs and mandatory requirements for welfare recipients with a view to *enforcing work while*

residualizing welfare' (Peck 2001, p.10). In this frame, the role of sanctions and penalties for welfare recipients is quite significant.

Yet activation can also be referred to the capabilities approach (Sen 1992) in its extended version⁴ (Dean *et al* 2005; Nussbaum, 2000), stressing that people possess capabilities to a different extent (on which the effective exercise of entitlements depends), and that entitlements are necessary to ensure people's freedom to make their own choices (Bifulco *et al*, 2008 p.144; Salais, 2004;). In this sense, activation is not tightly linked to labour market access but to different dimensions of society, the labour market being only one of them. Within this last framework other authors call for a new shift of paradigm occurred in the mid nineties and the beginning of the new millennium with the concept of welfare policies as social investment (Giddens, 1998; Streeck, 1999; Supiot, 2001; Esping Andersen, 2003; Jenson and Saint Martin, 2006; Paci, 2006). The reference is to a new quality of social citizenship which no longer understands citizens as passive recipients of nothing more than economic transfers or external services.

These meanings of activation can be considered the two extremes of a continuum where hybrid situations coexist, as activation policies are ambiguous by nature, tending to combine some kind of investment in individuals (and communities) in terms of social and human capital and coercive features (incentives and sanctions)⁵.

What these two approaches share is the central role of the local dimension. We will not discuss these studies in detail nor assess the activation policies in the two approaches, though we point out some issues emerging from both schools of thought and their respective use of the local welfare concept.

3.1. Welfare to work policies

Not surprisingly, the bulk of the literature dealing with local welfare to work policies in their strict version makes no explicit reference to social cohesion. Social cohesion in this version is considered a by-product, resulting from 1) access of the “excluded” to the local labour market who in this way become active citizens, and 2) the reduction of welfare recipients. As the editors of this special issue mention, these strategies are part of a liberal approach that puts emphasis first on individuals and on social cohesion resulting from the aggregation of “positive” individual situations in the market sphere.

Research studies carried out mainly in the Anglo-Saxon context report the positive impact of the local dimension both in terms of meeting welfare recipients’ needs and in terms of building local partnerships and innovative practices. The same studies point out, however, that these positive impacts cannot be taken for granted, focussing particularly on the importance of two

significant local factors : 1) the configuration of the local labour market ; 2) the role of the local welfare (state).

When the local labour market is dynamic and employment opportunities are high, local welfare-to-work policies turn out to be more effective in assuring access to employment, much more able to match the welfare recipients' needs, and to reduce case-loads (e.g. De Verteuil and Leem and Wolch, 2003; Bloom and Hill and Riccio 2003; Ashworth and Cebulla and Greenberg, and Walker, 2003). With a slogan, we could say that “the ones who start from better conditions, also have better performances”.

Nevertheless, two questions arise. First, with respect to the quality of jobs (see Morlicchio, Pratche in this volume), these studies report that they are precarious and very poorly paid; people are receiving wages insufficient to raise their families above basic income levels (Nicaise, 2002; Finn, 2000). It seems to us that this result questions the meaning of social cohesion also in these dynamic local contexts, raising the question of social cohesion for whom? For the ones who are getting a poor job, for the social workers who have to meet case-load reduction requirements, or for the taxpayers who do not want their money to be spent on social assistance? The question remains without answer as social cohesion is not an issue in this kind of literature.

Second, the risk is quite evident in this situation of increasing territorial inequalities, favouring the already rich localities, and further impoverishing the others in a perverse spiral. This is (one of) the reason(s) why the redistribution of (economic) resources from rich regions to poor ones is considered a long standing policy, and why localisation of welfare policies is far from being problem-free and should be implemented carefully and only under certain conditions.

The other element that makes a difference in answering welfare recipients' needs is the local welfare (state) organisation. The street level bureaucracy literature (Lipsy, 1980; 1984) as well as the shadow state literature (Wolch, 1990; Trudeau, 2008) have been used to explain the differences (DeVerteuil and Lee and Wolch, 2003). In both, cases studies focus on the institutional level, on how private, voluntary and public providers act in respect to welfare recipients and in both cases the literature emphasises the retrenchment of the public sector. The question overlaps with the understanding of the local welfare concept. Local welfare is employed to mean the local welfare *state*, with its organization and relations. Even when relations between local public providers and other local actors are considered, the dynamic aspect and the analysis of how the local socio-economic and cultural conditions contribute to the different institutional arrangements is neglected.

Taking up the distinction between decentralization and territorialisation of welfare policies (Bifulco *et al*, 2008) where the former stresses the role and structure of political administrative power (Ferrera, 2005), while the latter stresses the places and contexts in which policies come to life and consider them as resources and constraints of public action, it seems to us that this literature mainly looks at decentralization, disregarding the territories and their unique characteristics.

3.2. Welfare policies as social investment

Much more attention to the territory has been paid by studies dealing with social policies as active welfare state (Giddens, 1998; Paci, 2005); and social policies as social investment (Jenson, 2009a). These make explicit reference to the concept of social cohesion, and in several cases it is explicitly mentioned as a policy aim (Paci, 2008a; Jenson, Saint-Martin, 2006; McKeen, 2006; Mahon, 2007; Oecd, 2001). Social cohesion results from access to the labour market – sharing the principle to make work pay – , but also to all (local) welfare services (Jenson, 2009a; Esping Andersen, 2003). Access, however, is not enough. Social cohesion also results from the participation of the local community (the neighbourhood, the district, the city) in the provision of welfare services and the participation of individuals in the local community, for instance by joining formal or informal local social networks and associations (see also Fraisse in this volume); from here

one may move easily to the large literature on local social capital in its various meanings (see Kearns and Forrest, 2001).

In this approach, active welfare policies can be deployed at three levels: individual, institutional and territorial. At the individual level they emphasise activation and empowerment of the individual through education, training, participation in society and employment (Bonoli, 2009; Jensen, 2009a); at the institutional level they emphasise the need to take into account all institutional actors (profit, voluntary, public...), but they acknowledge a major role for the public sector, which is meant to ensure access to equitable welfare services (child care, for example) as well as income transfers (Mahon, 2005, 2007; McKeen, 2006). Finally, at the local level they emphasize the territory and the community as the social space where resources and constraints can be mobilized. Within this framework, activation is not only related to social assistance recipients, but refers also to the elderly, the disabled (and all other categories considered vulnerable), as well as to local work-family policies, and local child care policies⁶.

The concept of local welfare within this stream is used in a variety of ways. Some authors use the concept of local welfare mix (Jensen, 2003; Laville, 2003; Evers and Laville, 2004) to mean the relationship between the public sector, the market economy and the civil society designed to ease the difficult transition from the welfare state to the “active welfare society”. These studies often deal with the institutional networks and partnerships

built at the local level (municipal, district or even neighbourhood level), that is the supply side of welfare provisions, some of them focussing in particular on the role of the third sector. It is in fact at the local level that innovative experiences of welfare provisions based on different forms of non for profit organisations (cooperatives, associations, voluntary groups, etc.) originate and contribute to servicing the local population (see Evers and Laville, 2004).

Once again, it is not our aim to review this literature, nor to assess the local experiments and the large case-studies bibliography. What is interesting to us is the fact that the territorialisation of welfare policies makes innovative and *ad hoc* solutions possible, but not “at a zero cost”. A first shared result of these studies is that active policies targeting individuals and aiming at increasing substantive freedoms and autonomy are expensive, as they must initiate a process encompassing many local actors and many resources in the territory which require economic as well as social investment. A second shared result, deriving from the previous one, is that the territorialization of welfare policies cannot be done for the purpose of financial savings.

Local welfare arrangements prove to be effective and innovative in fostering social cohesion (access to resources and participation), though not in all cases and only under certain conditions. What still needs to be investigated is precisely what these conditions are, and how it is possible to

foster them via political initiatives. Up to now, at least three conditions appear to be particularly relevant for the success of local welfare policies as social investment: 1) the role of local public actors in promoting and coordinating forms of partnership among the different actors in the territory; 2) access on behalf of local governments to stable national government funding in addition to local (and supranational) economic resources. To undertake innovative and effective policies, local administrations need to know that they can count on a national supply of resources, and that a clear division of financial responsibilities among the different territorial levels exists; 3) access to equal rights on behalf of citizens, where these rights are clearly set by the national regulatory framework.

National welfare systems do indeed maintain an essential function in defining the frameworks within which local contexts operate, and these frameworks continue to structure paths and perceptions of policies at the local level, as we have seen in the second research stream.

4. Local welfare and governance arenas

Within the framework of a more active welfare system, some authors put forward the idea that associations and other civil society actors rooted at the local level, such as third sector organizations and advocacy groups, can play the role of collective agency, much as national collective actors such

as trade unions did during the objective solidarity period (Paci 2008a). The mobilization of civil society actors has been strongly fostered in welfare policies by the European Union through the Open Method of Coordination and by many European Member States through the inclusion of civil society actors in the local planning of welfare provisions. The active participation of citizens in the deliberative process of local welfare is understood as a form of empowerment which fosters social cohesion. However, the involvement of civil society actors in governance arenas is a problematic issue which many scholars have focused on in recent years (Newman, 2001, MacCallum and Moulaert and Hillier and Vicari-Haddock, 2009). The academic debate about this issue has become a relatively autonomous stream of research⁷.

The main target of these studies of local governance arenas is the ambiguity and the lack of transparency in decision-making responsibilities (Bifulco and Centemeri, 2008). Three critical elements have emerged in this debate. The lack of universalism and inclusivity, the definition of private actor mandates, and the neoliberal platform on which these participative instruments are constructed.

A first problematic issue concerns the universalism and degree of inclusivity of governance arenas. Fraser (1997) shows how people's capacity to participate in decisions is often unequally distributed, with the consequent risk that of giving an advantage to those with already higher levels of agency and voice. Some research on governance (Fung and Wright

2003, Trigilia, 2005) highlights how these arenas, in most cases, lack regulatory and participative models that a) provide all qualified actors the opportunity to participate to, b) limit the decisions to be discussed and taken to those concerned with real and widespread needs. In most cases, there is a high risk of transforming governance arenas into exclusive policy communities. We can say that citizens need not only the right to participate but also effective opportunities and appropriate capabilities to contribute to the participatory process with their own knowledge, skills and creativity. The real challenge for public administration is to gather different actors and invest them with the opportunity of making their own contribution in setting up these governance arenas, without allowing the most powerful and structured subjects to dominate. A fair regulation of these arenas could prevent the most powerful groups (those with more assets or with a personal and ideological relationship with their municipality administrators) to advance too narrowly defined requests. Moreover, an open and crucial question for these governance arenas is to find empirical and shared ways to identify just what the public goods are. By using a sort of Habermasian common ground for discussion, actors are asked to rank their priorities and to eliminate those of interest only to particular local actors (cf. Garcia *et al.* in this volume).

A second problematic issue concerning governance has to do with the definition of private actors' mandates. Barnes (1999) describes some

self-representation problems that emerge when citizen associations that take part in governance arenas need to define their mandate. For example, they may choose to introduce themselves as consumer groups based on some given interests, i.e. as citizen groups that ask for their rights to be acknowledged, though they may also be in charge of providing social services such as kindergartens or elderly care services and could thus justifiably introduce themselves as social providers. In many cases public subjects, civil society subjects and, sometimes, profit organizations are tightly intertwined. Such interlacing can cause three problems. The first problem concerns the accountability for private actors who provides public services. Secondly, civil society associations can often play a double role: they are economic actors, as providers, and political actors, as citizen's advocacy players. The overlapping of these two roles brings about a potential conflict of interest in their mandate. Thirdly, there is a legitimacy problem connected with the representation of private and civil society actors in governance arenas.

Moreover, governance arenas can provide different opportunities of real participation if they have a higher or lower level of effective power: citizens' effective possibility to influence the decision-making process depends also on the presence of mechanisms through which their opinions can be taken into account. For example the power to vote in a governance

arena makes the difference between participation as a consultant or as a decision maker (Lowndes *et al*, 2001).

A much more explicit critique concerning governance and local participation is provided by authors such as Benington and Geddes (2001), Newman (2001) and Davies (2004). These authors highlight how the more common local governance models have been tailored in the frame of the neoliberal platform, which requires the presence of market and capital actors in the policy making process. Their research on local governance cases, mainly on urban regeneration programs, shows that the need for a consensus among business actors with regard to these programs tends to weaken the ability of local governments to take the voice of citizens into account in the governance process (Brenner and Theodore 2002, Donzelot 2005). Under this perspective, local welfare policies may become less democratically responsive in relation to citizens' needs, instead of having improved their ability to address such needs (Geddes 2006, Baccaro 2004, Papadopoulos and Warin, 2007).

Conclusion: Local welfare systems

Within the current trends of change local welfare provision is becoming increasingly important to face the heterogeneous needs of a diversified and mobile population. The present crisis and the consequent

(further) cuts in the public expenditure are creating difficulties and hard times for the national and local governments in order to increase or even to maintain welfare services. Within this framework, various kinds of local welfare resources have to be mobilized and innovative experiments have to be put in place so to meet the population needs. The real challenge for all local welfare systems is in fact to provide welfare services (in particular of care) without falling back to re-familiarization practices (Esping Andersen, 1990) that could not be sustained by increasing vulnerable families (Bambra, 2007; Leitner, 2003).

As a way of concluding we wish to come back on two related problems raised by the literature but still open to further research and debate. The first issue concerns how the local dimension within the present trends of change is connected to the national and supranational levels (Lidstroem, 2007; Keating, 2009; Hooghe and Marks, 2001; McEwen and Moreno, 2004). The second question concerns the theoretical and methodological delimitations of what we have called LWS (Kazepov, 2010; Cheema and Rondinelli, 2007; Bode, 2006).

1. The empirical evidence stresses that innovative experiences are more likely to be planned and implemented at the local level. On a local scale, the territory with its resources and limits can indeed better respond to the local population's needs. Yet important evidence exists on the risk of territorial inequalities and fragmentation in ensuring access to and

participation in welfare provisions and services (of good quality) to citizens within countries (and across countries) with different outcomes in terms of social cohesion (Purcell, 2006; Rodriguez Pose and Ezcurra, 2009). Rich regions can foster local social cohesion by providing more resources and better access to welfare provisions. This can create tensions with other regions and may also threaten national social cohesion. The same line of reasoning can be true at the European level, with an increasing divide between rich and poor regions. Two questions emerge as crucial from these findings.

The first is the need for further investigation on the different local and national conditions that can produce territorial inequalities and fragmentation or, complementary, can foster social cohesion and thus access and participation in welfare provisions (of good quality) on a local scale. No automatic relation exists between the increasing importance of the local level in the definition and implementation of welfare policies and the territorial inequalities. Some evidence already exists about local development and urban renewal policies (MacCallum *et al.*, 2009; Keil and Mahon, 2009), much less about local social policies. One key finding in this respect is the importance of the local public sector in promoting, coordinating and activating the different welfare providers and provisions: where the public sector is able to activate and coordinate the different

resources and providers of the territory, policies are more likely to have successful outcomes.

The second question is the role of the central State. As seen in the literature under review, all findings stress that the national level still matters in framing and regulating local levels, in all policy fields and in particular with regard to welfare policies (Kazepov, 2010). The role of the State emerges as crucial in keeping territorial inequalities under control through a common regulatory framework (for instance the certainty of social assistance programmes such as minimum income) and stable funding of local authorities. Moreover, for the European Member States an increasing role is played by the European Commission, which can contribute to limiting the impact of the regional divide (for instance through the Social Funds or political pressure on the national central governments) (Ferrera, 2005). The question overlaps with the principles of territorial solidarity underlying the European social model also discussed in the literature and in need of further investigation and reflection.

2. In the majority of the literature under review, the concept of local welfare remains vague and assumes different meaning according to the different authors as it stands, in turn, for the local welfare state, the local welfare mix or local social policies. The term “local” is often used to refer to specific context-based research and specific case-studies. Within this framework, the main difficulty lies in going beyond the descriptive

information of local diversity and local case-studies in order to identify interpretative parameters that enable significant comparison and evaluation of the different social and geographical territories.

The analytical concept of LWS may contribute to tackle these difficulties. The understanding of a LWS must start from its socio-economic and cultural conditions and from the social structures in which it is embedded. Each local context has its own distinctive cultural, economic and social resources contributing to the creation of a different mix of actors who in turn contribute to affect the resources. It is precisely this mix and interplay that must be examined in a dynamic perspective.

The municipal territory or the metropolitan area appear to be the most suitable proxy for this purpose. Every city, even within the same regional context, has in fact its own specific history, in which specific features have emerged in terms of socio-economic organisation (the prevalence of a given sector, occupational and unemployment rates in particular of women and youths, the informal sector ...), socio-demographic structure (structure of the population by age, foreign presence and types of foreign presence ...), organisation of the “civil society” and of political-institutional traditions that contribute towards the shaping of different LWS and of the “vision” that they express in welfare policies. Within this framework, it is important to look at how the public good is conceived and institutionalised (e.g. how it is provided through welfare resources and how

it is legitimised) in the different contexts. To understand this question, we stress the idea that it is important to look, on the one hand, at the population and its specific needs in the local context (local articulation of welfare needs), and, on the other hand, at the institutional provisions, i.e. the set of different formal and informal welfare providers and provisions in the local context, and at their dynamic development.

The issues we have tackled in this conclusion are at an initial stage of debate. Globalization and rescaling are reshaping the traditional models of national welfare systems in the direction, among other trends, of an increasing importance of the local level of welfare provision. The impact of the current crisis is not yet so clearly visible but is certainly further complicating the matter. National frameworks of regulation remain crucial but at changing and variable conditions. The theoretical and methodological delimitations of local welfare have to be further specified by a wave of researches particularly attentive to the difficulties of comparative understanding beyond the great diversity of local features.

Notes

¹The decentralization process itself, however, is not a homogeneous trend within the countries: in the same welfare national system we can detect the shifting of powers and responsibilities toward the local level for some policies and at the same time a centralization trend of other social policies. Therefore the analysis of the LWS has to be drawn in the frame of this complex and even contradictory dynamic of decentralization and centralization.

² The quality of welfare provision (for instance the quality of social services) is also a crucial dimension of social cohesion; in this paper we do not consider it (see Andreotti

Fraisse and Sabatinelli, 2004), but we take for granted that when speaking about welfare provisions, these must be of good quality.

³ Lødemel and Trickey 2001; Heikkila and Keskitalo 2001; Hanesch *et al.* 2001; Ditch, Roberts 2002; van Berkel, Hornemann Møller 2002; Nicaise *et al.* 2004; Barbier 2004; Kazepov and Sabatinelli 2006.

⁴ A large bulk of literature has developed on the capability approach, its measurement and critics (see the website <http://www.capabilityapproach.com/index.php>). In the extended version, the concept of capabilities is situated in relation to their institutional context, and it is articulated in internal capabilities which relate to personal capacities, and combined capabilities which result from combining those internal capabilities with suitable external conditions in order for capability to be realised through functionings.

⁵ An important difference that has been pointed out (Bifulco and Vitale 2006) about the use of such activation policies is the fact that within some local systems a range of instruments is provided to support even the most disadvantaged subjects to play an active role. In these systems, when citizens enter a social measure, such as the *Revenues Minimum d'Insertion* introduced in France, they are free to choose the services they need, whereas in other local contexts these instruments appear to be weak or non-existent. Differences such as those just mentioned seem to delineate different abilities of local systems to develop social cohesion contexts, since some of them, through the policy systems that are used, succeed better than others in supporting relations for more vulnerable people.

⁶ In the social investment perspective, the focus is on childcare and education and training, as these can become a support for economic growth and social development (Jenson, 2009).

⁷ The debate on governance and social cohesion is addressed in EF6, here we refer only to literature relating local welfare policies to governance.

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