

The Parameters of the Possible

Patrick Heller



The challenge of solving global poverty is daunting. For sociologists it is especially challenging because we are often conflicted between our impulse for deep critique and the urgency of pragmatic solutions. I think sociology is most effective when we use our conceptual tools and our empirical knowledge to identify the parameters of the possible.

Over the past three decades, we have learned a lot about reducing poverty. There is no need to rehash the old debate over whether to prioritize growth or redistribution because we now know that growth does not always lead to poverty reduction and that this is especially true against a backdrop of increasing inequality. In the current conjuncture where surplus labor (variously called the reserve army of labor, the informal sector or the subproletariat) has remained a persistent problem in much of the post-colonial world and only threatens to get worse with advances in automation and AI, growth in and of itself will not reduce poverty. This is all the more a problem because as economist Thomas Piketty has so famously shown, in the era of globalization the returns to capital are slowly but inexorably outpacing the returns to labor. In other words, thinking pragmatically about poverty reduction means looking to redistribution. As challenging as the idea of redistribution in a world economy dominated by capital sounds, we have learned useful lessons over the past three decades.

We can do more with less. We know from East Asia, but also from other cases such as Kerala and Tamil Nadu in India, Costa Rica, Mauritius and Uruguay, that early investments in health and education have huge payoffs in terms of promoting capabilities. Such early investments are labor intensive and comparatively cheap. There is now a wealth of data that shows social investments increase productivity and economic growth. This is especially true as we have transitioned into a knowledge and information based economy where returns to intangible assets such as skills, innovation and organizational capacity are driving growth.

Contact:

Patrick Heller
Brown University
patrick_heller@brown.edu

Countries in the Global South have developed new policies to tackle poverty and precarity, most importantly conditional cash transfer and work programs. We now have clear evidence that programs such as Bolsa Familia in Brazil, social grants in South Africa and the National Rural Employment Guarantee Scheme (NREGA) in India can provide a vital social wage and attenuate social dependencies. In many cases, these programs came from the bottom up, having been initiated at the local level and through civil society and movements that enabled their diffusion.

The expansion of social protection and basic public goods provisioning in the Global South has increasingly been advanced as a social right. This not only breaks with the patronage or corporatist politics of the past, but also reinforces citizen claim making.

We now have clear evidence the policies that address gender inequities and empower women have dramatic positive spillover effects.

The comparative evidence also shows that redistribution is most likely to occur under democracy, and indeed, that the more participatory a democracy is, as measured by active participation by subordinate groups, the more redistributive it becomes. If the development literature three decades ago was dominated by arguments about the growth-inducing developmental state, today we should be much more focused on the democratic social developmental state.

In light of these broad lessons, where do we stand? The bad news is that capital is more mobile than ever making it more difficult for states to raise revenues and for labor to secure a better deal. The good news is that recent reversals aside, countries in the Global South have become more democratic, and social rights have become part of the political fabric. The current conjuncture is somewhat paradoxical: even as the global economy is increasingly dominated by capital and market power, states in the global south have significantly expanded the welfare state in the past two decades. This is especially clear in Latin America, but also South Asia and East Asia. In Africa, progress has been slower, but there have been notable expansions of social protection and improvements in public health. In some cases such as Brazil, welfare gains have actually led to a drop in inequality. But even where inequality has not come down or has increased, overall social development indicators, from literacy to infant mortality, have improved significantly (e.g. Bangladesh). This leaves us with a number of important research challenges.

Although welfare states in the Global South have expanded, we still know comparatively little about why or how this is happening. Compared to the vast literature on welfare states in the North, our understanding of what is driving social development in the South remains limited and we desperately need more comparative work.



Opinions expressed are those of the authors, not the Section on the Sociology of Development or the American Sociological Association.

How do we explain variation? Why has Brazil done better in terms of building a rights-based welfare state than Argentina? Why are states in Southern India doing so much better on all social indicators than states in Northern India? Why have some East Asian states reduced poverty so much faster than others (e.g. Malaysia vs. Philippines)? How can we explain variation in policy outcomes? Why have conditional transfer programs done relatively well whereas efforts to regulate labor markets have not fared as well? Why has in situ slum development been more successful than providing public housing?

Much of the classic literature on the developmental state focused on Weberian bureaucrats in nodal agencies, arguing that they were the key to developing successful industrial policies. As much as social policies also require effective bureaucracies at the center, they also rely heavily on the quality of front line workers. Under what conditions do states invest in front-line workers and when and how does this translate into more effective forms of co-production of public goods?

Many welfare-enhancing policies and programs are delivered at the local level, yet we have paid little attention to the role of local government in securing development. Why are municipalities in some countries better at delivering than others? Why is there so much variation across local government within a given country?

What are the social and political factors that drive the expansion of the welfare state? Theories that were developed to explain European welfare states and the organized power of the working class don't travel well to the South. On the other hand, we know that certain patterns of civil society mobilization, representing a highly diverse coalition of subordinate groups often aligned with progressive elements of the middle class, have played a key role in advancing redistribution. But what exactly are the configurations of civil society actors that have driven welfare-enhancing reforms, and under what conditions are they most likely to be effective?

Finally, we have to address the fact that in the current conjuncture we are facing an "Age of Reaction". The last decade has witnessed the rise of right wing ethno-nationalist regimes that are directly threatening democratic institutions and practices. Much of the literature on right-wing populism has focused on the North, but the ascendance of Modi in India, Bolsonaro and Milei in Latin America and the return of the Marcos family in the Philippines underscore how this phenomenon is impacting Southern democracies as well. In all of these cases, the rise to power of reactive elite-based regimes has been a direct response to previous successes in expanding social rights. That these regimes have limits is clear. Lula and his Workers' Party defeated Bolsonaro. Modi retained power, but lost ground in the last elections in India. As sociologists have always argued, regimes in power are based on social blocs, the composition of which are inherently fluid at a time of massive economic transformation. If we are to make sense of the parameters of the possible going forward, we need a better understanding of the social and political forces – the configurations of mobilized power - that promote democracy and social inclusion.