Less generous welfare states end up needing more regulation to protect citizens from losing access to services

*What does the state do to prevent consumers from losing access to basic services due to financial hardship, not least during the pandemic? **Hanan Haber** compares regulatory regimes that prevent loss of access to services in the UK, Sweden, Israel and the EU. He finds that more residual welfare regimes are associated with more social protection through regulation.*

What happens when people cannot pay their bills? What do governments do when citizens are unable to afford access to basic services such as electricity and water, or face eviction or repossession of their home due to arrears on their mortgage? These are questions which have recently gained urgency in the context of the pandemic, as governments attempt to find ways to address these types of social needs. For example, the UK government implemented measures such as a payment holidays on mortgage payments and a ban on evictions due to non-payment of rent. In the energy sector, the government has agreed measures with energy suppliers to protect vulnerable consumers and prevent power being disconnected in certain cases. Similar measures can be seen in the regulation of the water and telecommunications sectors.

However, while the use of this type of measure, geared towards preventing or compensating for the loss of access to crucial services and housing, may seem like a novel approach in response to COVID-19, it is neither new nor unique to the current crisis. In my research, I compare the use of these types of policies since the late 1990s in the UK, Sweden, Israel, and the EU. I ask how policies vary cross-nationally and between sectors, and what may have been driving their development. Such policies include, among others, bans on disconnecting electricity and water for all consumers or just for specific groups; social tariffs aimed at vulnerable consumers funded by service providers, rather than through the social welfare system; and the regulation of eviction and repossession.

What the findings show is that such policies – dubbed 'regulatory welfare' – could be found in the UK, Israel, and the EU level, but not in Sweden. There are several possible explanations for this, such as the role of economic crises, the extent of social needs, the role of party politics, and the role of ideas around economic regulation. However, I find that an important driver is the existing protection offered by each welfare state. In other words, such policies were less likely to develop in the context of more generous welfare states, and more likely to develop where the welfare state is less generous. This finding implies that a lack of direct social spending is being compensated for through other means, such as regulation for protecting vulnerable consumers from losing access to services.

Moreover, while it seems logical that such measures would develop after policy shocks or crises, this is not always the case: social protections such as those described above in some cases arose even when there was no such shock. Additionally, while we might have expected such policies to follow a party political logic, they were developed and expanded under both right and left parties in the different countries compared.

These findings highlight that social protection can be found 'outside' the traditional remit of the welfare state, such as the labour market, pensions or health. It may instead be found in state-mandated regulation of how services are provided in the market. Consequently, a robust welfare state may play a crucial role in shaping government policies in other domains of the economy: where strong social protection exists, including adequate levels of unemployment benefit, pension benefits, and sick pay, policymakers may be less likely to use regulation to correct social issues in economic sectors such as electricity or housing.

Note: the above draws on the author's work published in *The ANNALS of the American Academy of Political and Social Science*. You can learn more on the special issue in which it was published here.

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