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From Welfare State to Regulatory State: Meta-Regulation and Beyond

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Abstract

The literature on the rise of the regulatory state in Europe has tended to suggest that the regulatory state, as a mode of governance, has substantially displaced the instruments and institutions which together comprised the welfare state as the dominant mode of governing in the twentieth century. Majone has suggested that the regulatory state mode involves not only distinctive instruments and institutions, notably rules and regulatory agencies, but also a distinctive ethos which tends to prioritise the correction of market failure over state functions linked to redistribution and macro-economic stabilization. Similar trends in Australia, it is claimed, led to welfare rights groups recasting their claims on public policy actors in terms of market rather than redistributive terms. However, though instruments and institutions may have seen significant changes, it is clear that political objectives concerning welfare remain a significant component of government activity in most European states and further afield. I suggest in this article that there is evidence to support the argument that regulatory governance modes have supported and enhanced aspects of welfare provision, for example making aspects of provision more transparent, promoting capacity for seeking redress, and more generally clarifying accountability relationships and responsibilities. A next step is to note a degree of disenchantment with the regulatory state, as classically conceived, because of weaknesses in command and control methods, and concerns over counter-productive and unintended effects. With regulatory thinking solutions to these problems lie in alternative modes of governance drawing on networks and capacities for steering of self-regulation. I suggest that such techniques have much to offer contemporary welfare programmes.

1. Introduction

The literature on the rise of the regulatory state in Europe has tended to suggest that the regulatory state, as a mode of governance, has substantially displaced the instruments and institutions which together comprised the welfare state as the dominant mode of governing in the twentieth century. Giandomenico Majone has suggested that the regulatory state mode involves not only distinctive instruments and institutions, notably rules and regulatory agencies, but also a distinctive ethos which tends to prioritise the correction of market failure over other state functions (Majone, 1994). In an important essay, 'the Regulatory Rescue of the Welfare State', Deborah Mabbett argues that key characteristics of welfare state activity, including its redistributive focus and orientation to majoritarian politics, may be overstated. Equally it may be too simple to see the regulatory state as market oriented and non-majoritarian in character (Mabbett, 2011).

Although instruments and institutions may have seen significant changes, it is clear that political objectives concerning welfare remain a significant component of government activity in most and perhaps all European states and further afield. Building on Mabbett's insights I suggest in this article that there is evidence to support the argument that regulatory governance modes have supported and enhanced aspects of welfare provision, for example making aspects of provision more transparent, promoting capacity for seeking redress, and more generally clarifying accountability relationships and responsibilities. A next step is to note a degree of disenchantment with the regulatory state, as classically conceived, because of weaknesses in command and control methods, and concerns over counter-productive and unintended effects. Within regulatory thinking solutions to these problems lie in alternative modes of governance drawing on networks and capacities for steering of self-regulation. I suggest that such techniques have much to offer for reconceptualising regulatory governance generally and its contribution to delivering contemporary welfare programmes in particular.

2. From Welfare State to Regulatory State

There is considerable evidence to support the claim that governance modes within many European states, and beyond, were transformed in the last years of the twentieth century with classic welfare state models progressively displaced, to a degree, by regulatory modes of governance (Braithwaite, 2000, Gilardi, 2008, Loughlin and Scott, 1997, Majone, 1994, Moran, 2003). Welfare state models are characterised by direct provision of services financed chiefly through general taxation, statutory underpinnings which give state officials a substantial degree of discretion over delivery, and orientation towards collective social benefits of public policy programmes, notably redistribution and broader macroeconomic objectives linked to welfare, for example promoting full employment. Key examples include the direct provision of education and healthcare, free to all at point of use, with substantial discretion as to the how delivery is undertaken and the appropriate service standards. Network services in many, though not all countries, were delivered using models of public ownership, though with user charges, and frequently with state subsidy. Similarly public housing was provided by the state, with affordable rents. Even with transfer payments, a third component of the welfare state, centralised provision of assessment and delivery involved a relatively high degree of discretion as to entitlements.

The welfare state, as traditionally conceived, faced a perfect storm in the 1970s and 1980s as fiscal crises put governments under pressure to find less costly ways to deliver public services and new ideologies associated initially with the Reagan and Thatcher governments in the US and the UK, offered alternative models which emphasised the need to shrink the state and, even for functions remaining in the public sector, to marketise, to a degree, forms of decision making over an increasing range of aspects of public policy (Osborne and Gaebler, 1992, Feigenbaum et al., 1999, Hogwood, 1998). Institutional changes were premised on the need to tackle not only the costs of public sector provision, but also its efficiency and effectiveness. Taken together changes in institutional structures and instruments, cut across many areas of public sector activities to constitute what was labelled 'the New Public Management' (Hood, 1991) .

What emerged from this recasting of public policy instruments and institutions in the regulatory state mode was trends towards separating policy making from delivery, the establishment of distinctive agencies both for delivery and regulation of public services, displacement of discretion with rules and, it was argued, a displacement of forms of professional responsibility with greater public oversight (Loughlin and Scott, 1997). The detailed trends varied across different forms of public services and, of course, across different countries (Levi-Faur, 2005). While education and healthcare services frequently remain within public ownership there has been a good deal of experimentation with different organisational models, and a degree of separation between purchaser and provider, particularly in health care (Saltman et al., 1998). In the case of both network industries and housing much activity has transferred to private provision, with some degree of (often reduced) public subsidy (Stephens et al., 2003, Newbery, 1999). A widespread feature across much public service provision has been the establishment of external regulatory regimes setting and monitoring standards across increasingly wide ranges of public service activity. Research in the UK, in which I was involved, noted that the relative relaxation of direct management controls associated with elements of privatization and marketization in both public and privatized services, was accompanied by an equal and opposite movement to enhance controls through external regulation (Hood and Scott, 1996). Related, but distinct, has been the emergence of redress regimes, which present citizens as consumer seeking their entitlements to health, housing, education, energy, water, communications and even welfare benefits (Birkinshaw, 1994, Birkinshaw, 2003: pp480ff).

To what extent have these changes in governance mode been accompanied by changing ideological commitments? Majone, famously, suggested that regulatory governance tends to prioritise the correction of market failure over state functions linked to redistribution and macro-economic stabilization. The basis for such a shift in approach is that it avoids having the state making subjective and political value judgements over redistribution and restricted regulatory activity to more technical concerns with ensuring market work effectively to be the benefit of society generally (Majone, 1994 92-95). In Australia this reorientation was explicitly stated in a National Competition Policy which regulated the legislative activities of state and territory governments in such a way as to make correction of market failure the only ground for regulation, apparently removing redistributive grounds as a legitimate basis for regulation which might adversely affect internal trade. It was noted that interest groups advocating for social welfare in Australia rapidly recalibrated the arguments to prioritise market rationales over redistributive ones, even though their core objectives remained intact (Morgan, 2003). These claims have brought forth the claim by Deborah Mabbett that the technical and non-majoritarian emphasis of regulation is overstated. She suggests that both regulatory and welfare state modes of governance share concerns with redistribution and with

market failure, that each has elements of majoritarian or political decision making, balanced with some technical or nonmajoritarian elements (Mabbett, 2011) (Levi-Faur, 2014). Through these arguments Mabbett reclaims regulation as an instrument or mode of governance which can be as much concerned with welfare issues such as redistribution as with economic concerns with correcting market failure. Similarly, for Levi-Faur, regulation is about instruments rather than objectives (Levi-Faur, 2014). Elaborating from these claims about regulatory technique, it is possible to identify the ways in which regulatory modes of governing require a clearer elaboration of objectives for regulatory regimes, thus promoting transparency in respect of both of service providers and of regulators, creating a form of accountability which could be lost within the more traditional monolithic structures associated with the welfare state. The individuation of claims made on state services through expansion of grievance handling mechanisms are not uncontroversial, and sometimes labelled neoliberal in character, but have the merit that they have given individuals and interest groups greater standing to be instruments of monitoring and enforcement, thus creating a degree of independent scrutiny over service provision separate from the state itself.

3. Regulatory Governance of Welfare

Regulatory governance is characterised by the establishment of systems of control which include mechanisms for setting norms, for feedback or monitoring to establish whether the norms are being complied with, and for correcting behaviour which deviates from the norms (Hood et al., 2001, Black, 2002, Scott, 2001). In this section it is necessary first to offer a characterisation of the forms through which public services are delivered within the regulatory state mode and then follow up with a discussion of how norms are set, monitored and enforced within a regulatory model for governing public services generally and welfare in particular.

a. Delivery models

The central feature of delivery of public services within a regulatory state model is that it is carried out by an organisation oriented towards and accountable for performance of delivery and not for other tasks such as policy making (Carter and Greer, 1993). Such delivery units might be part of government, at central or local level, might be created through selling off publicly owned providers, through encouraging market or social actors to establish such units, or through contract out either of core or peripheral state functions. For the purposes of establishing regulatory models the character of ownership of the delivery units does not particularly matter.

In some cases this separation of delivery from other functions has been achieved through hiving off and privatising delivery organisations, as with network services providers in areas such as telecommunications (Scott, 2006). Across most of Europe such services were at one time just one of the responsibilities of the ministries of posts, telegraphs and telephones. Today they are the principal focus of private companies.

In the case of public housing, traditionally provided as an aspect of local or central government, the regulatory model which has emerged in many countries sees the government establishing a housing fund charged with deciding on the purchase of housing for providers who may be local authorities and/or non-governmental organisations, such as housing trusts, or private companies. Thus, although there is great variety in governance modes, delivery, increasingly, has become the responsibility of specialist housing trusts or companies, with the state role to provide funding and, using that lever, to set and to monitor standards (Scanlon et al., 2014).

In the case of health and education there has been less enthusiasm for transferring delivery out of the public sector. Rather delivery units such as hospitals and schools have been given greater freedom to manage their internal affairs to focus on service provision, with increasing external scrutiny by reference to rules relating to outcomes in terms of quality and performance (Saltman et al., 1998, Gamage and Joseph, 2005, Hood et al., 1999: chapter 7).

In the case of welfare payments the trend has been towards establishing dedicated delivery units, somewhat separate from welfare policy making functions (James, 2001). Similar trends have been seen in other areas of public sector provision, such as prisons, where there has been a degree of separation between government departments responsible for justice policies, and the service delivery provision. Only in a minority of countries have aspects of prisons delivery been privatised through some form of contracting out (Hood et al., 2004: Chapter 2).

b. Rules

Separation of service delivery from policy making carries with it an implication that new methods for steering the performance of delivery units must be introduced. Whereas directly managed services are delivered as a matter of management discretion, the delivery of a service by a distinct unit requires more detail of what is expected, at what quality, to be written down both for the purposes of securing delivery and for evaluating whether what was requested or required was delivered. A shift towards using rules as the basis for service delivery is a fundamental one, focusing on outputs and outcomes, while leaving providers more discretion around the mix of inputs, including financing methods, pay and conditions for employees and so on (Hood and Scott, 1996).

Rules may be located in a wide variety of instruments. In some cases legislation, primary or secondary, will set down details of service requirements. In other cases the appropriate instrument is a contract, whether in the form of a statutory licence or a commercial agreement, will set down expectations. A third possibility is an instrument that is not legally binding but which takes the form of an agreement between, for example, a government department and a service delivery unit. Such quasi-contractual instruments have become increasingly common, for example service-level agreements. Finally formal contracts are deployed, as with licenses issued to network utility companies, and to those offering contracted out services.

c. Monitoring and Enforcement

The setting down of rules in legislative or contractual instruments establishes bilateral relationships built around certain duties and expectations. Traditionally we might think of the primary role in checking on the meeting of expectations as lying with the policy actor responsible for the legislation or contracts, for example a central government department. While such responsibilities remain, increasingly they have been supplemented with external and distinct oversight responsibilities which, in some cases, substantially displace those of the policy unit (Hood and Scott, 1996). The establishment of free-standing regulatory units has been most visible in the case of sectoral regulators established to oversee network utility services, such as telecommunications, energy, water and transport (Prosser, 1997) . However the proliferation of regulatory agencies has also seen this institutional form extended to what are traditionally privately provided activities, such as food, pharmaceuticals and financial services, and to cross-sectoral concerns, for example with environment, occupational health and safety, consumer protection and competition (Prosser, 2010, Levi-Faur, 2005) . Whilst the main cross-sector regulators' jurisdictions typically apply across public

and private sectors, a distinct cohort of public sector regulators has also emerged, some sectoral, for example in relation to prisons and education, and some cross-sectoral, for example in relation to audit and grievances (Hood et al., 2004, Hood et al., 1999). Beyond the network industries such data have not been able to inform us about the growth in agencies to oversee public and mixed economy provision in areas such as education, housing, health and prisons, nor to address the rise of cross-sectoral regulators addressing public service provision, for example in respect of public sector audit and grievance handling. Free- standing agencies have proliferated in these areas also.

A further trend to note has been the emergence of private regulators, not drawn directly from the communities they regulate, as with self-regulation, but rather with a larger remit and an often indistinct relationship to public mandates (Scott et al., 2011). A key example is provided by the private regulators over advertising, active in most European countries, and which typically oversee both public and private advertising (Verbruggen, 2013). The expansion of such private regulation, often driven by what market actors perceived as gaps in public regulation which might support coordination of market activities, runs counter to a trend towards reducing the autonomy of self-regulatory activity amongst some professional groups and market sectors. Thus the pattern of the public-private balance within the regulatory state is complex and dynamic.

d. Juridification

Discussion of grievance-handling draws attention to the fact that the opportunity to challenge welfare decisions through litigation has increased in many European countries . Such processes are partially linked to the rise in regulation through the trend towards specifying and monitoring complaints processes through external oversight by ombudsman and related grievance handling schemes (Birkinshaw, 2003). Whilst ombudsman schemes, on one view, fulfil a similar function to litigation in offering a reactive response to complaints, they have increasingly taken on a normative and regulatory function in specifying the attributes of satisfactory redress schemes and monitoring their implementation {Hood, 1999 #55. For many public sector grievance handlers a key marker of success is adoption of internal redress schemes which are sufficiently effective to render their provision of external grievance handling substantially superfluous (Cowan and Halliday, 2003). Arguably the juridification of decisions on public service provision (including but not limited to judicialization, including also a greater role for lawyers and rules in decision making (Scott, 1998)), in areas such as welfare payments, housing, immigration and so on, is somewhat distinct from the growth in grievance handling agencies. The extent and character of such juridification is related, since it tends to accentuate an emphasis on being able to demonstrate compliance with rules, particularly in relation to procedures, but is distinct in the sense that it has not been a core part of the design of the regulatory state, but rather has had distinct origins in the growth of justiciable rights and changing legal procedures (Aasen et al., 2014) .

e. Accountability

The development of grievance handling and juridification provides one form of sharpened accountability within regulatory modes of governance. Arguably the development of free standing agencies is a more central form of accountability within regulation. This sharpened accountability applies not only to the more obvious candidates, the providers of regulated services, whether provided through publicly or privately owned organisations, but also to the core of government

itself, since regulators provide alternative sources of expertise and authority which are both a source of advice to governments and also a locus of independent critique, rendering government decision making in regulate sectors more transparent {Lodge, 2004 #1117; Lodge, 2010 #1914; Scott, 2014 #1950}.

f. The Crisis of the Regulatory State

If the 1990s was a peak period for the rise of the regulatory state, as measured by the proliferation of regulatory agencies, the period since has been a time of scepticism about regulation, understood as the exercise of command and control powers (Grabosky, 1994, Baldwin, 1997) (Black, 2007). A central problem is that of excessive expectations being placed on the central state and what it could achieve. The global financial crisis, in the period since 2008, has accentuated the considerable doubts which existed as to whether regulators could provide sufficient assurance as to the behaviour of regulators and the delivery of desired outcomes (Crotty, 2009). One source of doubt concerns scepticism about the possibility of specifying sufficiently, from an external perspective, what regulated actors are to achieve and then understanding regulated activities sufficiently to be able to monitor and intervene. This problem creates a risk of formal compliance which fails to deliver the substantive outcomes sought (McBarnet and Whelan, 1991, McBarnet and Whelan, 1999). Research on nursing home standards, for example, found that a US regime characterised by detailed specification of standards, could result in a high degree of formal compliance, but a poor overall experience for residents because of a lack of ownership of the objectives of the regime by providers (Braithwaite and Braithwaite, 1995). A further concern is the risk of counter-productive effects (Grabosky, 1995).

4. Welfare, Regulatory Capitalism and Meta-Regulation

The perception of crisis in the regulatory state has resulted in both new thinking and new policy approaches to the overall problem of steering behaviour. A central theme has been the injection of some modesty into expectations about what the state can achieve through direction, and a recognition that capacity for securing public policy objectives is widely diffused among varied societal actors (Black, 2001, Scott, 2004). This idea, developed recently within the rubric of regulatory capitalism, is set out below together with a range of alternative ways of conceiving of mechanisms to harness the diffuse capacity with concepts of network governance and meta-regulation.

a. Regulatory Capitalism

Recent thinking about regulatory governance has tended to displace the concept of the regulatory state with regulatory capitalism (Levi-Faur, 2005, Braithwaite, 2008). Whereas the former focuses on what the state does with rules and agencies, the latter recognises that the capacity to engage the key regulatory capacities of setting norms, monitoring for compliance and seeking changes to behaviour are widely diffused. If regulatory agencies have been a growing phenomenon, the growth in private regulatory capacity has been equally significant (Braithwaite, 2008). This is not at all to deny that the state is a central aspect of contemporary governance (and even allowing for the significant growth in international and transnational governance, themselves major sources of key regulatory norms (Mabbett, 2011: 220ff)), but rather emphasises that the capacity of the state to act may be as much through coordinating or orchestrating the capacities for steering held by others, as it is in directing behaviour itself (Abbott and Snidal, 2010) . This recognition of the diffusion of

capacity is central to understanding what the state may be able to achieve through a wider variety of mechanisms and the enrolment of a wider variety of actors (Black, 2003).

Taking the setting of standards and norms first, clearly the state has power to use legislative rules and sometimes soft law instruments to set down norms or rules. Other important actors for setting norms include professional bodies, trade associations (both national and international), civil society organisations, and firms and others who set down requirements in contracts (Büthe and Mattli, 2011). Key advantages associated with private rule making include first the greater knowledge of what is required and possible held by actors more directly involved, and second the reduced costs in setting and perhaps also implementing such non-state norms.

Turning to monitoring, regulatory agencies classically act through processes of inspection. But even public regulators take advantage of a wide range of other mechanisms for learning about compliance, many of which turn centrally on the actions of other actors. So, for example, requirements for self-reporting of regulatory infractions are common across economic and social regulation (for example requirements to report near misses within both medical and airline protocols, and to report defective goods within product defect regimes). In addition to placing dependence on regulated actors for reporting, regimes can support reporting by third parties through offering bounties or at least protections for whistleblowers within organisations or amongst members of the public (O'Rourke, 2003, Braithwaite, 2002). Complaints regimes offer an example of the use of private information about problems with regulated services. While complaints regimes might be used simply to give redress, they are increasingly used by both public and private actors as a source of information about compliance with regulatory or market norms, from which it is possible to learn where areas of difficulty requiring attention may lie.

With enforcement, we might think about regulatory agencies using legal rules to impose sanctions. Longstanding research on regulatory enforcement shows that even within classic public regulatory regimes, regulators frequently reserve formal sanctions only to the most egregious or persistent infractions, and that softer mechanisms involving education, advice and warnings are frequently to the fore, arrayed in a pyramidal structure with more stringent sanctions drawn in only as necessary should compliance with the lower level mechanisms not be forthcoming ('the enforcement pyramid') (Grabosky and Braithwaite, 1986, Ayres and Braithwaite, 1992). This research demonstrates the value and every-day quality of mechanisms which do not routinely call forth formal sanctions for securing compliance. The model of the enforcement pyramid has been extended to draw in the various capacities of civil society and business actors to engage sanctions of various kinds, suggesting not a two dimensional pyramid involving the state only, but a three sided pyramid (Grabosky, 1997). So, for example on the civil society side consumer groups may be able to invoke complaints systems and boycotts alongside less common formal rights to seek sanctions to create their own pyramids, trade unions may be able to use the cooperative tools and capacity to withdraw cooperation, businesses routinely use contracts as a basis for bargaining and sometimes formal enforcement over compliance with regulatory and other norms, and professional bodies and trade associations similarly have capacities to negotiate over compliance and invoke more stringent sanctions such as expulsion from their organisations. And it is not necessarily that the three sides of the pyramid are entirely independent of each other. The public power of enforcement may be held in reserve, 'the gorilla in the closet', such that reporting to public agencies may, itself, be one form of sanction on the civil society or business face of the three sided pyramid (Verbruggen, 2013).

Taken together these observations about the diffused nature of regulatory capacity invite us to think in different ways about the role of the state not only in seeking to control, but also to monitor and to harness non-state capacity to delivery public interest outcomes. I discuss below how the concepts of network governance and meta-regulation might support such reconceptualization.

b. Network Governance

It has been widely observed that many public regulators increasingly draw support from participation in networks from which they may learn about how other agencies (whether in their sector internationally, or in other sectors nationally) approach and resolve problems (Eberlein and Grande, 2005, Lazer, 2005, Coen and Thatcher, 2008, Levi-Faur, 2011). Such networks also provide a source of legitimacy for regulators who are able to point to the development of norms among network participants as to how regimes are implemented .

Less frequently observed is the development of networks involving the wider range of participants in regulatory regimes. Irish research pointed to the example of the Environmental Enforcement Network sponsored by the Irish Environmental Protection Agency (EPA) as a key example of how a regulator, identifying the limits to its own enforcement capacity, has sought to engage a wide range of other actors with its projects so as to enhance its capacity. Thus, the EPA has developed a forum in which it meets with local authorities (which have good local knowledge and enforcement powers over some mattes) the police (who have enforcement powers over certain criminal matters, but equally importantly skills for detection and collection of evidence) and even the public (who offer the most diffused monitoring capacity for such problems as fly-tipping and are supported by confidential telephone reporting lines) (National Economic and Social Council, 2010). Through the network the EPA shares the understanding of its mission with others who have capacity to support on the delivery of its objectives. Whilst operational capacity amongst regulators with similar functions is widely recognised, for example in cross-border cooperation on competition and advertising-related matters, this more diffuse kind of network is likely to be equally central to enhancing regulatory capacity of public actors.

Private regulatory networks are also of increasing significance. A central example in the environmental sphere is provided by the ISEAL Alliance which brings together a wide range of private labelling regulators involves such matters as sustainable forestry, fisheries and fair trade (Loconto and Fouilleux, 2014). The labelling at the heart of such regimes must invoke confidence amongst consumers that it is a reliable indicator of compliance with significant regimes for enhancing, for example, sustainability. ISEAL provides a forum for cooperation over providing such assurance using techniques of meta-regulation, discussed in the next section.

How widely have such networks been developed to support governance over issues of welfare and public service provision? It is difficult to say, but it is clear that wide ranging constellations of actors grow up around key public policy and service areas, for example relating to welfare rights, immigration, housing and so on. Increasingly we come to regard the various NGOs, trade unions, professional actors (such as lawyers) and others as part of the regulatory regime, supplying feed back about success and failure, supplementing the efforts of public actors to hold service providers to account through regulatory means.

c. Meta-Regulation

A central observation of regulatory capitalism is that regulatory capacity is often diffused and located with non-state as well as state actors. Self-regulatory regimes involved trade associations and professional provide a core example where the state may seek to depend on private action to secure public objectives. Regulatory state trends tended to cast doubt on self-regulation, invoking long established doubts that self-regulatory and private actors could be trusted to advance the public interest when the temptation is to advance their own private interests. Meta-regulation offers a way to acknowledge the importance and potential of private and self-regulation, whilst assigning to the meta-regulator, such as a public agency, the duty or power to monitor the private actions over such matters as the quality of standards, the rigour of monitoring or the stringency of enforcement (Gilad, 2010, Parker, 2007, Scott, 2008). Through formal or informal approvals the state than thus observe and steer private or self-regulatory capacity. Private actors are encouraged to learn about the needs of the regime and shape their behaviour accordingly rather than to simply comply (Parker, 2002, Scott, 2010) .

A central example of meta-regulation has emerged in the UK in the area of professional standards and discipline in the healthcare professions. Standards and discipline for health care professionals such as doctors and nurses have long been the responsibility of professional councils with duties to set norms and to hold hearings into complaints of professional misconduct . However, a number of scandals put trust in the system of self-regulation under strain. Concerns about its stringency have been addressed through the establishment of an independent state agency with powers to monitor and approve the professional standards and to review and to seek more stringent penalties for breaches of the standards. Such a regime retains the expert element of the oversight, but also introduces independent monitoring and steering to provide reassurance that the professions uphold the public interest rather than protecting private professional interests (Allsop, 2006: 628-629, Kaye, 2006, Waring et al., 2010, Black, 2007).

In the case of the ISEAL Alliance, discussed above, a variety of private labelling regulators are subject to rules about how they set standards and how they monitor and make public the outcomes of their regimes (Loconto and Fouilleux, 2014) . This meta-regulatory steering of their activities is geared to promoting the credibility of the private regimes. Significantly the rationale for the regime is driven by the market since the key currency for the private regulators and those who use the labels is the market credibility of the labels, which attract premium prices.

How commonly is meta-regulation observed in the provision and oversight of public services? The case of health care professions in the UK provides a clear example. Further examples are found wherever service providers are asked collectively or individually to develop aspects of their regime, for example setting standards, or monitoring or enforcing compliance within their organisations. Given the widespread practices for setting internal norms around with service organisations we must think that such phenomena are widely found, but perhaps not so often identified as an aspect of regulatory capitalism. Their significance and potential requires further evaluation.

5. Conclusion

I have offered in this article a brief evaluation of the trajectory from welfare state to regulatory state, and an evaluation of the contribution of regulatory governance to the provision of public services. I have suggested that a shift towards the regulatory mode of governance has considerable potential for payoffs in provision of public services through increasing transparency and

accountability of service providers and that the tension between redistributive and market orientations may be over-stated. As the regulatory state model has been thrown into doubt I suggest there may be considerable advantage in considering how the model of regulatory capitalism might usefully be deployed in respect of public services to draw in a wider variety of actors in the setting, monitoring and enforcing the appropriate norms for service delivery. This is the beginning of an exploration of these themes rather than a final word, as it opens up exciting potential for further thinking and experimentation on public service delivery and oversight.

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