

CHAPTER 1

MODERN TRENDS IN PUBLIC ADMINISTRATION

Rebalancing Welfare for Better Living: How State Social Policy Shapes Quality of Life Through International Experience

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Abstract. Quality of life is increasingly used as a benchmark of state performance because societies evaluate governments through health, security, dignity, and opportunity, not only through growth indicators. The analysed text conceptualises social policy as a resilience infrastructure that stabilises households during shocks and invests in long-term capabilities through services and inclusion measures. In this framing, quality of life combines objective conditions, such as income, housing, and access to care, with subjective evaluations, including perceived security and life satisfaction. The policy challenge is that comparable fiscal effort can produce different outcomes when governance capacity, targeting accuracy, and service quality diverge. The objective is to assess how state social policy shapes quality of life and to clarify the main pathways through which transfers and services affect living standards, opportunity, and social cohesion. The study applies comparative synthesis and uses descriptive indicators from international datasets to contextualise welfare effort, coverage, and outcomes. It also incorporates an illustrative national case that uses counterfactual estimation to show how poverty would change without social benefits, supporting a mechanism-based interpretation of impact. Results indicate four interlinked channels: income security, access to essential services, opportunity formation, and cohesion. Global data show that slightly more than half of the world's population is covered by at least one social protection benefit, implying large inclusion gaps. In high-income welfare systems, public social spending averages around one-fifth of GDP, but levels vary substantially. The national illustration demonstrates that social benefits can shift poverty and extreme poverty rates markedly, and that removing them would substantially worsen deprivation. Social policy improves quality of life most reliably when protection and services are coordinated and when opportunity-oriented measures complement cash transfers. Future research should estimate causal effects of policy design, examine trust and administrative capacity as mediators, and compare long-run outcomes across welfare regimes and crisis periods.

Keywords: state social policy; quality of life; welfare state; social protection; redistribution; social investment; poverty reduction; cash transfers; service access; administrative capacity; life satisfaction; resilience.

JEL Classification: I31, I32, I38, H53, H55, J18

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Introduction. Quality of life has become a central benchmark for assessing state performance, because citizens increasingly evaluate governments not only by economic growth but also by health, security, dignity, and opportunity. In contemporary governance, social policy functions as a set of public choices that allocate protection against risks such as illness, unemployment, disability, old age, and poverty, while also investing in human capabilities through education, childcare, and active labor market support. The analytical challenge is that quality of life is multidimensional, combining objective conditions such as income, housing, and access to healthcare with subjective evaluations such as life satisfaction and perceived control. International experience shows that similar fiscal effort can generate different outcomes, depending on policy design, targeting accuracy, service quality, administrative capacity, and trust. The COVID-19 period further highlighted that social policy is also a resilience infrastructure, because shocks reveal whether safety nets can expand rapidly without fragmenting inclusion. Comparative evidence suggests that the relationship between social policy and quality of life operates through both redistribution and prevention, meaning it reduces current deprivation and lowers future risk by stabilizing human capital and social cohesion. In parallel, the policy debate has shifted toward “whole of life” frameworks that link social protection, health, skills, and care systems, rather than treating each domain in isolation. As a result, international comparison is most informative when it examines mechanisms, not only spending levels.

Literature Review. The literature commonly conceptualizes social policy as a determinant of welfare outcomes through redistribution, decommodification, and social investment, where public transfers and services mitigate market inequality and protect individuals against life course risks. Comparative welfare state research argues that policy regimes differ by their balance between universalism and means testing, the role of social insurance, and the extent to which services such as childcare and eldercare enable labor market participation. Measurement scholarship emphasizes that “quality of life” cannot be reduced to GDP per capita, because well-being depends on health, education, social relationships, safety, and environmental conditions, which are shaped by public institutions. OECD well-being approaches operationalize this idea through dashboards that track both current outcomes and inequalities between groups, encouraging policy evaluation beyond income alone (OECD, 2024). In parallel, social protection research highlights coverage gaps and financing constraints as binding limitations, especially in low and middle income settings, where informal employment and fragmented registries reduce effective inclusion (ILO, 2024). Human development scholarship adds that progress is not linear and that divergence in development outcomes can widen when crises interact with institutional capacity, conflict, and climate risk (UNDP, 2024). Evidence from policy evaluation studies shows that cash

transfers can reduce poverty quickly, yet durable quality of life improvements require complementary services, including health access, education quality, and labor market inclusion. Recent governance literature therefore stresses that social policy effectiveness depends on administrative systems such as digital payments, beneficiary registries, and case management, because these systems determine whether resources reach intended groups at the right time. World Bank analyses of social protection emphasize that labor market programs can improve opportunity and incomes, but they are often underfunded relative to need, which limits their contribution to inclusive growth (World Bank, 2025). Finally, subjective well-being research indicates that social support and institutional trust correlate with life satisfaction, reinforcing the idea that social policy affects quality of life through both material conditions and social cohesion (OECD, 2024).

Aims. The aim of this article is to assess how state social policy influences quality of life by synthesizing international experience across welfare spending patterns, social protection coverage, and well-being outcomes. The article seeks to explain the main causal pathways that link public policy instruments to objective living conditions and subjective life evaluations. It also aims to identify which design features, such as universality, targeting, service orientation, and shock responsiveness, appear most consistently associated with improved outcomes. A further objective is to show how comparative statistics can be used to justify policy choices while avoiding simplistic spending equals success assumptions. The article therefore focuses on mechanisms and governance capacity as the mediating factors that translate resources into well-being. It also aims to provide structured summary tables that can guide policy analysis and future research. Finally, it seeks to formulate a pragmatic indicator set for evaluating social policy impacts on quality of life in cross-country settings.

Methodology. The study uses a comparative policy analysis design based on narrative synthesis and descriptive statistics drawn from internationally comparable sources. First, it reviews conceptual and empirical literature that links social policy instruments to well-being outcomes, focusing on redistribution, social investment, and risk protection mechanisms. Second, it compiles and interprets cross-country indicators from OECD social spending reporting, OECD life satisfaction measures, ILO social protection coverage and expenditure figures, UNDP human development reporting, and selected national statistics that illustrate policy impact under real conditions. Public social spending comparisons rely on OECD Social Expenditure (SOCX) reporting and OECD syntheses of trends before and after the pandemic (OECD, 2025). Social protection coverage and financing comparisons rely on ILO reporting that provides global coverage and expenditure patterns (ILO, 2024). To illustrate a concrete policy effect, the article uses official Brazilian statistics that estimate poverty outcomes

with and without social program benefits, which is methodologically valuable because it approximates a counterfactual comparison (IBGE, 2025). The analysis is not a causal econometric model, because it does not estimate treatment effects across countries, but it is designed to generate credible mechanism-based inferences grounded in reputable data. Country experience is treated as illustrative case evidence rather than proof of general causality, which keeps interpretation conservative. The approach emphasizes triangulation, meaning that claims about impact are supported by more than one type of evidence when possible, for example spending patterns plus outcome indicators plus policy design features.

Results. The results indicate that state social policy affects quality of life through four interlinked channels: income security, access to essential services, opportunity formation, and social cohesion. At the global level, a primary constraint remains incomplete inclusion, because ILO reporting shows that 52.4 percent of the world's population is covered by at least one social protection benefit, leaving 47.6 percent without access to any social protection (ILO, 2024). Financing patterns also show strong structural disparities, because countries allocated 12.9 percent of GDP on average to social protection excluding healthcare in 2023 and 6.5 percent to healthcare, totaling 19.3 percent of GDP, but the ILO notes large differences by national income group, which implies unequal capacity to protect well-being (ILO, 2024). Within OECD countries, the welfare state is comparatively mature, and OECD reporting indicates that public social expenditure is about one-fifth of GDP on average across the OECD, though levels vary widely (OECD, 2025). The pandemic period illustrates the stabilizing role of social policy, because OECD estimates show that public social spending rose from 20 percent of GDP in 2019 to 23 percent in 2020 on average, then declined toward 20.5 percent by 2022 as emergency measures unwound (OECD, 2025). In 2024, OECD reporting indicates that public social spending exceeded 30 percent of GDP in Austria, Finland, and France, while several countries remained at 15 percent of GDP or less, illustrating different welfare models and fiscal choices (OECD, 2025).

Quality of life outcomes show parallel variation. OECD life satisfaction averages 6.7 on a 0 to 10 scale in 2021 to 2022, while Finland, Israel, Denmark, and Iceland record the highest levels at 7.5 and above, suggesting that strong institutional performance and social support can coexist with high subjective well-being (OECD, 2024). These outcomes should not be interpreted as purely the product of spending, because subjective well-being also depends on trust, perceived fairness, and social relations, but the pattern supports the argument that comprehensive social policy can enable stable living conditions. Evidence from Brazil provides a clear illustration of how cash transfers and social benefits can change poverty outcomes at scale. Official statistics indicate that between 2023 and 2024 the poverty rate fell from 27.3 percent to 23.1 percent, and extreme poverty fell from 4.4 percent

to 3.5 percent, while a counterfactual calculation suggests that without social program benefits extreme poverty would rise from 3.5 percent to 10.0 percent and poverty would increase from 23.1 percent to 28.7 percent in 2024 (IBGE, 2025). This result is important because it shows that social policy can shift not only marginal outcomes but population-level distributions, especially for groups that depend more on transfers than labor income. At the same time, results also reveal an implementation gap in the opportunity channel. World Bank reporting notes that average spending on labor market programs is only 0.25 percent of GDP, which suggests limited capacity to provide effective pathways from vulnerability to self-reliance, particularly in contexts of technological change and labor market disruption (World Bank, 2025). Finally, human development evidence emphasizes divergence risks, because UNDP reports that inequalities in Human Development Index values are growing between countries at the bottom and top of the index, which reinforces the need for social policy systems that combine protection with investment under conditions of global shocks (UNDP, 2024).

Table 1 summarizes how major social policy instruments map onto specific quality of life dimensions and the main evaluation metrics used in international comparison.

Table 1. Social policy instruments, quality of life mechanisms, and evaluation metrics

Social policy instrument	Main mechanism affecting quality of life	Typical quality of life dimension	Illustrative metrics used internationally
Social assistance and cash transfers	Reduces poverty intensity and stabilizes consumption	Material living standards	Poverty rate; extreme poverty; depth of poverty
Social insurance (pensions, unemployment, disability)	Smooths income across life course risks	Economic security	Replacement rates; coverage; benefit adequacy
Universal or subsidized healthcare	Reduces preventable morbidity and financial hardship	Health and security	Coverage; out-of-pocket burden; avoidable mortality
Childcare and family policy	Enables employment and supports child development	Work-life balance; future opportunities	Female labor participation; child poverty; access rates
Education and training policy	Builds human capital and mobility	Opportunity and capabilities	Completion; skills; employment outcomes
Active labor market programs	Facilitates re-employment and productivity	Inclusion and autonomy	Time to re-employment; earnings recovery
Housing and local social services	Reduces housing stress and exclusion	Stability and community	Overcrowding; housing cost overburden; homelessness proxies

Source: systematized by the authors

Table 1 indicates that policy impact depends on whether instruments form a coherent package that combines immediate protection with opportunity creation and service accessibility.

Table 2 consolidates selected international statistics that illustrate the scale of social policy effort and its association with quality of life indicators.

Table 2. Selected international statistics linking social policy to quality of life

Indicator	Reported value	What it suggests for quality of life	Source
Global population covered by at least one social protection benefit	52.4% (2023)	Coverage gaps remain a major barrier to well-being security	ILO, 2024
Average national spending on social protection (excluding healthcare)	12.9% of GDP (2023)	Protection exists, but intensity varies and excludes healthcare needs	ILO, 2024
Average national healthcare spending (as reported in the same ILO summary)	6.5% of GDP (2023)	Health protection is a separate and large cost driver	ILO, 2024
OECD average public social spending change during COVID-19	20% of GDP (2019) to 23% (2020)	Social policy acted as shock absorber in crisis conditions	OECD, 2025
OECD average life satisfaction	6.7 (2021 to 2022)	Subjective well-being can be compared cross-nationally	OECD, 2024
Brazil counterfactual poverty without social program benefits	Extreme poverty 3.5% to 10.0% (2024)	Transfers materially change poverty outcomes	IBGE, 2025
Average spending on labor market programs	0.25% of GDP (global average)	Opportunity policies may be underfunded relative to protection needs	World Bank, 2025

Source: systematized by the authors

Table 2 shows that quality of life improvements are constrained by coverage gaps and by relatively low investment in opportunity-oriented labor market interventions, even when transfer systems expand.

Discussion. The findings support the interpretation that social policy improves quality of life most reliably when it combines broad coverage with adequate benefits and high-quality services. The coverage statistic is critical, because partial inclusion creates dual societies where protected groups experience stability while unprotected groups face cumulative risk, which weakens overall social cohesion and reduces aggregate well-being potential (ILO, 2024). The OECD experience illustrates that spending levels respond to shocks and can cushion crises, yet long-run quality of life depends on institutional design, including eligibility rules, service delivery, and benefit adequacy (OECD, 2025). The life satisfaction evidence indicates that countries with strong social support environments can sustain high subjective well-being, although interpretation should avoid assuming a direct spending to happiness causal line because cultural and governance factors mediate outcomes (OECD, 2024). Brazil’s counterfactual calculation provides a concrete demonstration that cash benefits reduce poverty in

measurable terms, and it also shows that without benefits poverty outcomes would be substantially worse, which supports the protective function argument (IBGE, 2025). At the same time, the World Bank's estimate of only 0.25 percent of GDP for labor market programs suggests a structural imbalance where systems prioritize compensation over reintegration and mobility, which can limit long-run quality of life improvements related to autonomy and opportunity (World Bank, 2025). This imbalance matters under technological change, demographic ageing, and climate risk, because these forces increase the frequency of transitions and require active support systems. UNDP's warning about divergence in human development outcomes implies that social policy is increasingly a strategic investment in social stability, not only a distributive tool, especially when crises disrupt education and health trajectories (UNDP, 2024). A further implication is that policy evaluation should integrate objective and subjective metrics, because a program can reduce poverty while public trust and perceived fairness remain low if service access is humiliating, fragmented, or unpredictable. Overall, international experience suggests that effective social policy is best understood as a system, where coverage, adequacy, service quality, and opportunity pathways must be aligned to produce sustained quality of life gains.

Conclusions. State social policy influences quality of life through protection against poverty and shocks, through service access that reduces insecurity, through opportunity creation that supports autonomy, and through cohesion effects that stabilize trust and social support. International statistics indicate that global coverage remains incomplete, with nearly half of the world's population lacking any social protection benefit, which constrains quality of life improvements at scale (ILO, 2024). OECD evidence shows that welfare systems can expand during crises and then normalize, confirming that social spending is a key shock absorber, while cross-country differences reflect diverse institutional models (OECD, 2025). Subjective well-being data indicate that life satisfaction varies substantially across countries and can be high where social support and institutional performance are strong (OECD, 2024). Brazil's official estimates illustrate that social programs can generate large population-level reductions in poverty and that removing benefits would substantially worsen deprivation, which highlights the material importance of transfers for vulnerable groups (IBGE, 2025). However, global underinvestment in labor market programs suggests that many systems remain better at protection than at enabling transitions toward stable employment and higher productivity (World Bank, 2025). The evidence also supports a strategic conclusion that social policy is increasingly tied to resilience, because divergence risks in human development are rising in the context of shocks and global instability (UNDP, 2024). Future comparative work should therefore focus on

integrated evaluation of coverage, adequacy, service quality, and opportunity pathways, rather than single-indicator comparisons.

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