



# Social Policy and Development: 10 Challenges

Peter Utting  
Deputy Director,  
United Nations Research Institute for Social  
Development (UNRISD)

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- Autonomous research within the UN system
- Extensive global and regional research networks
- Major programmes in the last 10 years:
  - social policy in a development context
  - gender dimensions of social development & care
  - poverty reduction under different policy regimes
- Last flagship report (2005) “Gender Equality”
- Next flagship report (early 2010) “Combatting Poverty and Inequality”

# Social Policy defined



Public policies and practices that directly influence the welfare and security of individuals and groups within a particular society:

- Social assistance (e.g. safety-nets, protection for vulnerable groups)
- Social insurance (pensions, unemployment benefits)
- Social services & investment (health, education, water, housing, etc)
- Redistributive policies (e.g. land reform, affirmative action)
- Labour market policies (working conditions, labour rights, minimum wages)

# The Problem



- Marginalization of social policy
  - Secondary to and detached from economic policy
  - Restricted meanings: social assistance and human capital formation
  - Rolling back state capacity (e.g. weakened bureaucracies, reduced regulatory capacity)
- Privatization & commercialization of basic services
  - (access & affordability issues)
- Fragmentation of provisioning & benefit systems
- Post-Washington Consensus: “Institutions matter” ...but what institutions?
- The limits to Poverty Reduction strategies
  - MDGs (set goals but don't address the root causes of poverty)
  - PRSPs (considerable path dependency with structural adjustment programmes, particular macroeconomic frameworks taken as given)
  - Targeting the poor (often seen as an alternative to universal social policy)

## Challenge 1: Integrating the economic and the social



- Experience of the “late industrializers” & developmental states (Nordics and East Asia) where social policy played a key role in structural change, economic growth & modernization
  - Macro-economic policy was subordinated to social goals, e.g. full employment
  - Social policy was “productivist” with strong emphasis on:
    - human capital formation (healthy workers, educated and skilled)
    - increased consumer demand
    - reduced labour unrest
    - facilitated rural to urban migration

## Challenge 2: Towards “transformative social policy”



**Recognize and balance the multiple roles of social policy which contribute simultaneously to social protection, equity, social cohesion, economic development, and rights-based development?**

- **Social protection:** protect people from the perverse, unstable and inequitable effects of markets, and the changes in circumstances that occur with ageing, unemployment, maternity and disability.
  - **Production:** enhance human capital, consumer demand etc.
  - **Reproduction:** assist families, households, women and children with **reconciling the burden of social reproduction** and care, with that of other roles and tasks, and it must be concerned with how the **burden of reproduction is shared** both institutionally and from a gender perspective.
  - **Redistribution,** key role to play in dealing with inequality & discrimination
- All roles are important
  - But some are often marginalized, e.g. redistribution & social reproduction/care

# Challenge 3: Overcoming fragmentation



- **Social fragmentation/segmentation:** when coverage and benefits are restricted to certain social groups
  - Historical & contemporary evidence suggests superiority of leaning towards universal social provisioning
  - Limits of targeting:
    - administratively complicated and costly to identify & reach the poor
    - CCTPs: increase demand for services but often neglect the supply side (social infrastructure and human capital);
    - Difficulties of scaling up NGOs projects
  - Urban and formal sector bias. Informal / rural sectors marginalized: key challenge in dualist societies
- **Systemic fragmentation:** when parts of a provisioning system (healthcare & education) are prioritized at the expense of other parts and systemic coherence, e.g.
  - Phenomenon of children at schools without teachers
  - Hospitals without nurses & doctors

## Challenge 4: Building / rebuilding state capacity



- Reversing the decline in regulatory capacity, e.g. state inspection of workplace conditions; regulation of privatized service provisioning.
- Strengthening service delivery capacity: teachers, nurses etc.
- Strengthening civil service: adequately paid public sector employees; enhanced sense of public service; relative autonomy from vested interests
- Information gathering & strategic planning



## Challenge 5: Resource mobilization capacity



- Universal social policy needs “progressive” and broad-based tax systems:
  - Dangers of shifting to regressive fiscal regimes (e.g. VAT, low corporate tax)
  - Middle-class (fiscal) support is essential; dangers of driving the middle class away from public services through privatization and targeting
- Aid, can be a complementary source of funding and may facilitate more inclusive social policies, but can be unreliable & reduce policy space through excessive conditionality
- Growing consensus that comprehensive social policy is affordable (and a good investment)
  - Cost of the “social floor” for world’s poor = 2% global GDP
  - Cost of national social floor in LDCs = range from 3.7 – 10.6%:
  - Large CCTPs, e.g. Brazil, 11 million households & Mexico, 5 million HHs = 0.4% of GDP

## Challenge 6: Securing policy space - No “one right way”



- Tendency for international financial institutions and some donors to promote standardized prescriptions, backed up via conditionality
- Need for enhanced policy space

### Different social policy models/regimes:

- “Productivist”: social protection as a tool for economic development (East Asia)
  - But with growth, democratization and crisis, social policy has become more universalist
- Social protection in dualist societies (large informal sector and / or unemployed) (e.g. Brazil, Mexico & South Africa)
  - large cash transfer programmes; “fragmented universalism”.
- Social protection in agrarian societies (e.g, India)
  - Large workfare safety net (NREGP)
- Social protection & universalism (Nordics, Costa Rica, Uruguay, Botswana)
  - universal services and expanding pension cover

## Challenge 7: Revisiting “Good Governance”



The “good governance” agenda focuses too selectively on particular institutions (e.g. property rights, corruption, NGO “voice”) and ignores others that historically were important in development (political, bureaucratic, allocative and enforcement capacities of “Developmental Welfare States”, “active citizenship, bargaining):

- Weak link between market-enhancing governance reforms and growth (Khan)
- *Managerial public sector reforms*, which seek to promote efficiency by applying market principles in the governance of the public sector, require high levels of regulatory capacity, which a) are often absent; and b) require a competent bureaucracy.
- *Decentralization* can have ambiguous outcomes.
  - Requires simultaneous transfer of political, fiscal and administrative powers, which often does not occur.
  - Its success requires governing elites to commit to change local power structures in favour of the poor and a network of citizen groups that can engage local authorities in policy making.

## Challenge 8: Towards Supranational Social Policy



- Limits of national responses; need for global and regional social policy
  - For dealing with cross-border / global public goods issues, e.g. migration, pandemics
  - For building technical capacity & political momentum for transformative social policy: e.g. MDGs, Coalition for a Global Social Floor; roles of EU, UN regional commissions, Mercosur
  - For mobilizing resources (e.g. 0.7 % /GDP commitment for ODA; international airline ticket tax; « Tobin tax »; intra-regional (EU) transfers, ALBA

# Challenge 9: The Politics of Transformative Social Policy



Limits of technocratic, “consultative”, top-down social policy

- Who is consulted?
- Those with “voice” need to become “players”
- Dialogue AND contestation & “active citizenship”: role of the labour movement; overcoming civil society fragmentation NGOization
- “Multi-scalar / transnational activism” -- connecting local, national, regional and global levels.
- Coalitions & alliances
- Social pacts & compromises
- Democratization and electoral competition

# Challenge 10: Social policy in contexts of crisis



Crises are often an opportunity for progressive reform:

- The “crisis” of structural adjustment in the 80s led to the “post-Washington Consensus” & the contemporary Poverty Reduction agenda
- USA: from the Great Depression emerged the New Deal
- From the Asian crisis, Korea & Thailand expanded social protection and insurance systems
- Recent crises: more policy space for developing countries; Argentina nationalizes and expands pension coverage; India significantly expands workfare; China expands social investment and labour standards; USA aims to reform healthcare.

## **BUT:**

- (food and financial) crisis & restructuring will also put social policy institutions under far more strain as unemployment rises; casualization of labour increases, care burdens increase, and taxes decline;
- growing deficits could mean future limits on public spending.

Will the dominant “neoliberal” paradigm fundamentally change?

Will social policy responses shift from being remedial to transformative?

Much will depend on (challenge # 9) the politics of policy reform and the relative strength or weakness of the distributional coalitions supporting transformative social policy.

# End



- THANK YOU

For further information on UNRISD research on social policy, see [www.unrisd.org](http://www.unrisd.org)

“Social Policy and Development” *programme*

Contact: Peter Utting ([utting@unrisd.org](mailto:utting@unrisd.org))