Entry points for ICSW to promote Social Justice in national Poverty Reduction Strategy processes

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People cannot be developed; they can only develop themselves. [Julius K. Nyerere]
Disclaimer:

‘BRAINSTORMING’, not official policies of MFA-Finland
The theme of this workshop: Poverty Reduction

- Understood very broadly here:
  - not only MDG-1a ($1/income poverty)
  - not only the MDGs
  - multi-dimensional human and social wellbeing = increase of social justice
  - sustainable development, with balance between the ECON / SOC / ENV dim’s

- PovRed requires comprehensive SocPol
The ECON & SOC & ENV should be in balance: ‘Society for All’

ECONOMIC

SOCIAL

ENVIRONMENT
UN: Millennium Development Goals (MDGs, 2000 → by 2015)

1. Reduction of income poverty and hunger (share of people living on < $1/day & hungry halved by 2015)
2. Primary education for all
3. Gender equality and women’s rights
4. Child (<5) mortality
5. Maternal mortality
6. Fight against HIV/AIDS, malaria, TB, etc.
7. Environmental sustainability
8. Global partnership (incl. trade, debt relief, aid)
POVERTY is multi-dimensional (DAC-01)

SECURITY
- risk, vulnerability
- social protection/social risk management (SRM)

ECONOMIC
- consumption
- income
- assets

HUMAN
- health
- education
- hunger, thirst

GENDER +

ENVIRONMENT

POLITICAL
- rights
- freedoms
- voice & influence

SOCIO-CULTURAL
- status
- respect, dignity
The World Bank agreed in WDR-2000: Poverty is MULTI-Dimensional

**OPPORTUNITY**
- Pro-Poor Growth
- Inequality and Redistribution
- Markets
- Assets
- Governance and Accountability

**EMPOWERMENT**
- Responsive Public Administration
- Rule of Law
- Decentralization
- Eliminating Gender Discrimination
- Social Fragmentation and Conflict
- Building Social Capital

**SECURITY**
- Social Risk Management
  - Household Responses
  - Policy Responses
  - Reducing Vulnerability to
    - Economic Crises
    - Natural Disasters

**INTERNATIONAL ACTIONS**
- Market Access in Rich Countries
- Reducing Global Volatility
- Pro-Poor Int’l Public Goods
- Voice for the Poor in Global Forums
- Making Aid Effective in Reducing Poverty
- Relieving the Debt Burden
Change of approaches in aid for poverty reduction:

Projects $\rightarrow$ SAPs $\rightarrow$ BS for PRS

- Donor-driven projects 60s-90s $\rightarrow$
- Structural Adjustment Programmes (SAPs) by WB/IMF 80s-90s $\rightarrow$
  + proliferation of bilateral projects (transaction costs)
- 2000s $\rightarrow$ Budget Support (BS) to support the implementation of national Poverty Reduction Strategies (PRS) by WB + IMF + 13-17 bilaterals
  $\rightarrow$ Challenge: Policy dialogue on comprehensive:
  ECONPOL + SOCPOL + ENVPOL = SustDev
The social governance of globalization starts at home:

National → Global Social Policy

Rich country experience:

- **INDUSTRIALIZATION**
  - Prosperity for All?
  - Social costs
  - Inequities
  - Environmental costs

19th & 20th centuries:

- Social policies!
- Equalization policies!
- Environmental policies!

- **GLOBALIZATION**
  - Prosperity for All?
  - Social costs
  - Inequities
  - Environmental costs

2000s:

- MFAF / ILO
- Global social policy!
- Global equalization!
- Global environmental policies!
PRS: Different from Structural Adjustment Programmes?

- SAPs: Conditionality imposed from above:
  - Macro policy reform in exchange for large loans
- SAPs: IMF & WB/’Washington Consensus’:
  - Neo-liberal “one-size-fits-all” ECONOMIC policy package
- SAPs: Criticism from the SOCIAL perspective:
  - SAPs “with a human face” & Human development (Unicef 1987, UNDP-HDR 1990 & NGOs, etc.)
- PRS: alternative (more social) economics?
  (E.g. ’Growth Through Equity’, ’Pro-Poor Growth’, ’Decent Work for All’, ’Policy Space’ & Industrial Economics)
- Or: The 3 dimensions of Sustainable Development in balance: ECONOMIC + SOCIAL + ENVIRONMENTAL
  → Multi-dimensional + multi-disciplinary
The Global Agenda in 2006:

• Copenhagen Social Summit 95 → PovRed + Employment + Social inclusion
• WB+IMF: 1999 → PRSP → PRS
• Millennium Summit 2000 → MDGs
• Paris Declaration → Harmonisation/Aid effectiveness
• World Summit Outcome Sept-05 = WSO + ”Development Resolution”, UN-GA 300606
• ECOSOC-06 + CSocD-07: Back to Copenhagen:
  → Full Prod. Empl. & Decent Work for All + Decent Work Country Programmes (ILO/EU)
• ICSW + UN-DESA + UNDP: Soc. Integr./Inclusion
Copenhagen Social Summit-95:

FULL PRODUCTION

PRODUCTIVE EMPLOYMENT

POVERTY REDUCTION

SOCIAL INTEGRATION / S.INCLUSION / S.COHERENCE
But the Econ/Social tension remains:

SECURITY
risk, vulnerability
social protection/ social
risk management (SRM)

ECONOMIC
consumption
income
assets

POLITICAL
rights
freedoms
voice &
influence

GENDER +
ENVIRONMENT

HUMAN
health
education
hunger, thirst

SOCIO-CULTURAL
status
respect, dignity
In reality, in country level work, the economic perspective (growth & efficiency) dominates. Why?
Part of the reason is the **imbalance** between the WB(& IMF) vs. UN at country level.
In principle, both WB & UN should promote a balanced sustainable dev’t agenda on RIGHTS/SOCIAL JUSTICE

<table>
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<tr>
<th>WB &amp; UN:</th>
<th>UN + WB:</th>
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<tr>
<td>ECONOMIC</td>
<td>SOCIAL</td>
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ENVIRONMENT
Equally, at the national level there should be a balance between the ‘ECONOMIC’ and ‘SOCIAL’ ministries & civil society representatives.

Min. of Finance, Central Bank, Business & Empl. associations

Min. of Social & Labour, unions, consumers

Min. of Env / Agric. / Natural resources
But: Often the ECON perspective gets a priority in national policy making

Min. of Finance, Central Bank, Business & Empl. associations

Min. of Social & Labour, unions, consumers
Within WB the ECON dominates over the SOC: The WB has 10,000 economists & only few hundred non-economists.
And: Among the WB-economists **one school of thinking dominates over alternatives**

**Orthodox ‘neo-liberal’ macro economists**

**Labour economists & industrial policy, etc.**
A key additional factor: **Bilaterals** strongly aligning to the **WB-dominated dev’t agenda**

**WB-loans**
+ Bilaterals’ grants: 
  **PRSP**
+ Budget support

**UN:** grants outside the BS-frame
An additional factor: Fragmented UN

IMF & World Bank & Bilaterals → economic policy

UN: Fragmented social policy

UNDP, Habitat, Unicef, Unifem, WFP, ILO, WHO, UN-Aids, Aids, ILO

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Fragmented UN leads to fragmented national social policies

UNDP + PMO
Habitat + Min.of Housing
Unicef + Min.of Children & Women
ILO + Min.of Labour
UN-Aids + National Aids Council
WHO + Min.of Health
Unifem + Women’s Office
WFP + Min.of Agric.

WB + Min.of Finance & IMF + Central Bank

UN: Fragmented social policy
Efforts to improve the ECON/SOC balance:

**UN-Reform**

(at global and national levels)

- **WB + IMF + bilaterals**
- **‘One UN’ + WB + bilaterals**

ICSW Global Conference, Brasilia 16-19 July, 2006

Entry points for ICSW to promote Social Justice in PRS-processes

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Efforts to improve the ECON/SOC balance (e.g. Nordic TF-ESSD in WB)

UNDP
Habitat
Unicef
Unifem
WFP
ILO
WHO
WB/SD
WB/SD+SP
UN-Aids
WB/SP

Networked UN + WB into social policy

IMF & World Bank - economic policy

WB/SD
WB/SP
Arusha Conference Dec-05 (WB): *New Frontiers of Social Policy in a Globalizing World*

- Organised by WB Social Dev’t Dept (Anis Dani)
- Funding from Finland, Sweden, Norway, UK
- ’Authoritative speakers’ from US-universities (?)
- Equity & social policy? → **social dimensions of / perspective to all policies:**
  - SOC.sectors (edu/health/social protection) +
  - **SOC dimensions** in e.g. infra, agric., PSD, macro-economic policy, etc.
- On all levels: local + national + global
→ Greater attention to employment (livelihoods), social integration & institutions
Copenhagen Social Summit-95:

FULL PRODUCTION

PRODUCTIVE EMPLOYMENT

POVERTY REDUCTION

SOCIAL INTEGRATION / S.INCLUSION / S.COHESION
World Bank/Anis Dani 2005:

LIVELIHOOD
SECURITY

INSTUTIONS & ACCOUNTABILITY

SOCIETAL CULTURE
WORLD BANK 2004
Social Development Strategy

INCLUSION  COHESION

RIGHTS?

ACCOUNTABILITY
Arusha Declaration: New Frontiers -1

- Transformation of subjects and beneficiaries into citizens
  - universal rights & responsibilities
  - Middle-class by-in: Build alliances between the poor and the not-so-poor
- Role of State: effective & accountable
  - Recognizing power relations & institutions
- Capacity of states → revenue mobilization
Arusha Declaration: New Frontiers -2

- Social dimension/Equity in infra, utilities, social services: educ/health/SP
- Market access for the poor
- Fiscal policies
- Migration (internal/external)
- Citizens organizations/social partners
- Understanding history, culture, etc.
- Social Policy at all levels: local, national, global
- Multi-disciplinarity
But: Arusha left ‘uneasy feelings’ among Nordics/Africans/UN-people/ ICSW: Should we (donors) partner with & invest in WB? UN? CSOs?

Strengthen the ‘social perspective’ in World Bank?

Strengthen One-UN globally & locally?
ILO bridges the ECON & the SOC: DECENT WORK FOR ALL

ECONOMIC

SOCIAL
UN-ECOSOC Main Theme 2006: DECENT WORK FOR ALL

Employment generation & entrepreneurship

SOCIAL
- rights
- protection
- dialogue
& gender equality

UN-ECOSOC Main Theme 2006: DECENT WORK FOR ALL
ILO/EU: Decent Work Country Programmes (DWCP)

**RIGHTS**
Fundamental Principles and Rights at Work
- e.g.
- ILO-Conventions

**EMPLOYMENT**
Enabling environment, Entrepreneurship, Skills, Productivity, Competitivity

**SOCIAL PROTECTION**
Extending social protection, incl. to those in the informal sector

**SOCIAL DIALOGUE**
Building social consensus on major policy lines e.g. through tripartite negotiations.

→ To become key part of national PRSs
But it’s not only a choice between the WB and the UN, but also choices within SocPol, e.g. between:

- efficiency-oriented means-tested targeting
- rights-based residence-based universalism
On-going efforts to improve the ECON/SOC balance -1

1) ECOSOC 7/06 + CSocD 2/07
   (a) Decent Work for All + DW Country Programmes
   (b) UN-Reform: SG’s High Level Coherence Panel 9/06

- ’One UN’ at country level: e.g. Vietnam country directors
- ILO + EC: Decent Work Country Programs (DWCP)
On-going efforts to improve the ECON/SOC balance -2

2) AU Soc.& Empl. Policy strategy & other regions
3) EU Consensus + Sust.Dev’t + Decent Work
4) DAC/POVNET: PPG → Social Policy, incl. SocPr
5) SDAN = Social Development Advisers’ Network
6) PSIA-network (Poverty and Social Impact Ass.)
   → CSA (= Country Social Assessment)
   + ’Drivers of Change’ + ’Power Analysis’
On-going efforts to improve the ECON/SOC balance -3

7) NOR+FIN: WB TF-ESSD (with WB-departments for SD+SP+POV+ENV)

8) Support to ILO’s country-level work (DWCPs): SWE, NOR, UK, NL, GER, POR, IRE, EC

9) Balancing the ’Arusha Process’: UNRISD/Sweden/Finland 30 Oct – 2 Nov

10) Role and contributions of ICSW (global, regional, national) in all of this ??
New roles and skills needed for donors and CSO-people, e.g. ICSW:

(a) Poverty situation monitoring
(b) Stakeholder analysis
  Who is participating? Influencing?
(c) Public financial management?
  - will & skill?
RV/SP - Key messages to donors:

1) R&V causes poverty and failing growth:
   - ex-post impacts of shocks
   - ex-ante or behavioral impact of risk: low return choices

2) The economic and social return to social protection is very high - not just in terms of social policy and equality, but also in growth and multidimensional poverty reduction

3) The analysis of risk and vulnerability in public policy (in PRS/PMS/PAF etc.) is possible and desirable

4) Time for more experimenting: try out schemes.

5) RV/SP is multisectoral: Donors need to know and partner with the coordinating SP-ministry + help convince the MoF.
RV/SP: Practical Country-Level Instruments and Approaches used by Various Agencies

• Unconditional Cash Transfers (e.g. Kalomo)
• Conditional Cash Transfers
• Food for Education (e.g. Bangladesh)
• Micro-finance and micro-insurance
• Social Health Insurance
• Employment Support and Public Works
• Social Pension Insurance
How to strengthen the social dimension of the PRS cycle?

Annual cycle of steps: Policy & budgeting priorities are based on evidence from learning (M&E)

1. Poverty analysis

Policy formulation → Budgeting

Communication

Policy implementation → Monitoring and evaluation

Policy formulation

Budgeting

Communication

Policy implementation

Monitoring and evaluation

Annual cycle of steps:

1. Poverty analysis

Policy & budgeting priorities are based on evidence from learning (M&E)

Policy formulation

Budgeting

Communication

Policy implementation

Monitoring and evaluation
The social dimensions of PRS?

1. Baseline data & diagnostics

Poverty Monitoring System (PMS), incl. HBS, admin.data, PPA, focused studies
   → Poverty profiles
   → Poverty mapping
   -Capacity building for statistics & analysis

Poverty analysis

Monitoring and evaluation

Policy formulation

Budgeting

Policy implementation
2. Quality of the participatory process?

1. Poverty analysis

Policy formulation

Budgeting

Open, democratic process?
Including Parliament?
Sector ministries?
(Labour, Soc.&Health, Educ.)
Private sector?, Unions? CSOs?
Media? Donors, IFIs?
3. Ex ante impact assessment

incl. Poverty and Social Impact Assessment of major 'IFI-imposed' reforms and programmes, incl. employment, regional pattern, gender, and the most vulnerable population groups
4. Results-based mngt of budget aid

- Performance Assessment Framework
  - Conditions of budget aid.
  - Too many ‘triggers’ → need to simplify.
  - What are pro-poor macro-policies?
  - if you have arguments, you can influence

1. Poverty analysis

Policy implementation

Monitoring and evaluation

Budgeting

PAF
6. Budget, expenditure & ’leakage’ monitoring

1. Poverty analysis

Policy formulation ➔ Financing

Budget guidelines + PER (Public Expenditure Review) & PETS (Public Expenditure Tracking Surveys) → Broadly participatory

M&E ➔ Expenditure

Financing

Budget guidelines + PER (Public Expenditure Review) & PETS (Public Expenditure Tracking Surveys) → Broadly participatory

M&E ➔ Expenditure
7. Role of Social Policy?

PRSP-dialogue: From ad hoc safety nets to a comprehensive social policy

- WB: Risk & vulnerability assessments, RVA
  → National Social Risk Mngt Strategies
  (social risk prevention/mitigation/coping)
  - Social Budgeting, Gender Budgeting, Regional Policy e.g.