



Strategies & Choices *in*

International Social Policy

by M. Felicity Daly

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Reform has become an anthem among global social policy actors. The World Social Forum asserts its opposition to neo-liberalism and to domination of the world by capital and any form of imperialism stating that, "Another World Is Possible." The World Commission on the Social Dimension of Globalisation seeks to promote a fair globalisation, which will reduce poverty and inequality. The Millennium Declaration, adopted by all 191 member states of the United Nations, intended to, "ensure that globalisation becomes a positive force for all the world's people." The Helsinki Process on Globalisation and Democracy has been working to identify novel and empowering solutions to the dilemmas of global governance, "especially relevant to the governance of international trade and its relationship to the position of most vulnerable countries, regions, and social groups."

These different initiatives seek to balance the aggressive pursuit of globalisation recognising that it has yet to serve as a universally beneficial process but is, in fact, a marginalizing force. ICSW has consistently advocated for the need to enhance the coherence and consistency of the international monetary, financial and trading systems, to ensure that they support internationally agreed development goals. The protection of the public good, which cannot be left to market forces alone, is crucial if we are to achieve progress towards sustainable social development for all.

The first interim reviews of national benchmarks towards the achievement of the Millennium Development Goals (MDGs) are now being prepared for 2005. The MDGs, distilled from the Millennium Declaration and intended to reinforce the outcomes of several UN global summits, including the World Summit on Social Development (WSSD), represent consensus



between the UN, the IMF, the World Bank and the OECD on how to reduce the worst forms of poverty and disadvantage, especially in developing countries.¹ Stakeholders of the WSSD² and other UN summit processes will have the opportunity to evaluate whether the MDG campaign has furthered the implementation of global social and economic goals agreed at the highest political levels.

During this review period, International Non Governmental Organisations (INGOs) are charged with re-evaluating the direction of global level

a result of advocacy towards socially responsible globalisation and global social governance reform agendas. With that objective, ICSW and STAKES, the National Research and Development Centre for Welfare and Health, Finland, with the generous support of the Ministry for Foreign Affairs of Finland convened a meeting of Experts on International Social Policy in Kellokoski, Finland, April 2nd-3rd 2004. This gathering of eminent experts from various fields of social policy created a unique space for review of these agendas and the exploration of possibilities in policies, strategies and programmes for actors in social development and welfare.

Obviously the outcomes of this unique situation analysis are useful beyond the bounds of the ICSW network. Thus, this issue of the Social Development Review makes public several of the papers presented at the meeting. We hope it will be a useful resource for organisations working at all levels in order to more fully understand various initiatives and venues for advocacy.

An important dimension to planning future directions for an organisation such as ICSW is taking stock of how the organisation's work fits into the broader policy and governance context. Thus we designed the programme of the meeting in Kellokoski to move from a broad agenda to a few points of analysis and foster discussion about maximising our efficacy as advocates. Several reports were chosen for review:

- World Commission on the Social Dimension of Globalisation Report: A Fair Globalisation for all.
- *UN Commission on Social Development 42nd Session: Improving Public Service Effectiveness.*
- *UNDP Human Development Report 2003: Millennium Development Goals: A compact Among Nations to End Human Poverty.*
- *World Bank World Development Report 2004: Making Services Work for Poor People.*
- A report on ICSW's aims and objectives and our recent policy advocacy work.

Professor Bob Deacon, Director of the Globalism and Social Policy Programme at STAKES and the University of Sheffield, provided a contextual

“International Non Governmental Organisations are charged with re-evaluating the direction of global level advocacy as they continue to witness a lack of commitment by UN member states to deliver.”

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advocacy as they continue to witness a lack of commitment by UN member states to deliver on the commitments made at high profile events such as the WSSD and the Millennium Summit. As development resources are drained by containment of unilateral militarism many civic activists are further convinced that reform of global governance and the enhancement of the multilateral leadership of the UN to counter-balance the overriding power of the international financial institutions, multinational corporations and hegemonic regimes is more crucial than ever.

At this critical moment INGOs must take stock of the emergence of new currents in international social policy and determine what value is added as

¹ IMF, OECD, UN, World Bank (2000) 'A Better World for All' Forward

² Analysis of the progress of national implementation of the Copenhagen Declaration and Programme of Action after ten years will occur next February at the 43rd session of the Commission for Social Development.

paper for the discussions, reprinted here in brief. He gave very generously of his time to assist ICSW in the development of the agenda for the meeting, identification of participants and summarise the outcomes from the event.

A wide array of experts provided for strategic inputs both thematically and geographically. Participants included representatives of the following organisations: Centre for the Study of Globalisation and Regionalisation, University of Warwick; Commonwealth Foundation; Development Secretariat, Global Commission on Human Security; Division for Social Policy and Development, Department of Economic and Social Affairs, United Nations; Global Campaign on Social Security and Coverage for All, International Labour Office; Globalism and Social Policy Programme, STAKES; Human Development Report Office, United Nations Development Programme; Ministry for Foreign Affairs, Finland Global Affairs Department and Social Development/Security, Department for Development Policy; Ministry of Social Affairs and Health, Finland; Norway/Finland World Bank Advisory Board on Environmentally and Socially Sustainable Development Trust Fund; Secretariat, World Social Forum; Social Cohesion Development Division, Council of Europe; Technical Secretariat, World Commission on the Social Dimension of Globalisation, International Labour Office University of Helsinki, Finland; University of Joensuu, Finland; World Institute for Development Economics Research, United Nations University

Through this review we examined the opportunities for civil society organisations, such as those in our network, to influence national, regional and global policy in relation to issues such as: social protection, socio-economic security, human security, poverty alleviation and access to social goods and services. A sense that there was a new optimism about the possibilities of reform emerged during the assessment. Participants challenged this offering that, 'we have been asked to be optimistic on previous occasions. We were asked to be optimistic before the World Summit on Social Development in 1995, at the five-year review of the Copenhagen commitments in Geneva in 2000 and there was also a feeling of optimism with the launch of the Human Development Report. So with this report of the

World Commission we expect to turn the corner. There has been much enthusiasm in the past so why is it that we are not much further after those other milestones? So how do we politically exploit this moment?'³

In response to that question, ICSW distilled several strategic points of intervention for the future of our policies and programming from the input gathered at this meeting. This has assisted ICSW in the development of its 2004/2006 global programme, which will be submitted for endorsement at our biennial global meeting of the Committee of Representatives, our chief governing body comprised of our membership in Kuala Lumpur, Malaysia in August 2004.

We believe that our network of social development and social welfare actors working at international, regional, national and local level can provide value added to the initiatives seeking to help make globalisation a force that will promote decent work, reduce poverty and unemployment and foster sustainable growth and development. Unless a socially responsible management of globalisation led by balance leadership of all multilateral institutions is wrested from the pursuit of profit maximisation the apparent trends towards greater inequality, economic instability, social dislocation and political conflict will gain greater momentum. Globalisation has been marked by its flexibility to new markets and new challenges thus we might maintain optimism that it can now incorporate socially responsible characteristics.

M. Felicity Daly, ICSW Director of Programmes

³ Participant comment at the Meeting of Experts on International Social Policy, confidential due to use of Chatham House rules.



From Residualism and Contestation to Universalism Mapping the International Concerning Social Policy

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When the Globalism and Social Policy Programme (GASPP) was founded in 1997 with the help of Finnish funds there was a widespread concern among egalitarians and progressives that the neo-liberal form that economic globalisation was taking would have negative consequences for social policy both at the national and the global level. At the national level it was feared that there would be a push towards the residualisation and privatisation of developed welfare states and that in developing countries a targeted safety net version of social policy was being constructed. At the global level the concern was that the balance of power between the Multilateral Economic Institutions (Bank, IMF, WTO) on the one hand and the other UN social agencies on the other was

such that there would be no effective global social governance and hence no effective global social policies of redistribution, regulation and rights. Faced with this GASPP and others began the task of conceptualising a different kind of globalisation, one that was more in keeping with the traditions of equity, solidarity and universalism that characterised the worlds most advanced welfare states.

While some of the prognosis was accurate it is possible now, seven years on, to say three things:

- a) Developed universalistic welfare states of the Scandinavian type have actually been sustained in the face of global economic competition. It is only the more liberal welfare >

tion to and Synergy: Progress in al Discourse ocial Policy?

by **Professor Bob Deacon**

states such as the U.K, U.S.A that have adopted some of the more 'radical' privatising and residualising measures.

- b) While a safety net approach to social policy in the context of development did reign supreme for some while there is now a discernable shift in international discourse towards the case for a more universalistic approach.
- c) With the publication of the World Commission Report on the Social Dimension of Globalisation a turning point has been reached whereby ideas about international social policies designed to create a more equitable globalisation are on the agenda of key international organisations. At the same time a path has now been charted towards a more effective system of global social governance.

I expand on these points in turn and then address the task of this gathering within this context. Let us first enter two caveats. This optimistic reading can only be sustained if we set aside for a moment the global conflict between those who are naively enthusiastic about westernising the globe and those who are too determined to defend fundamentalisms against this trend. It can also only be sustained if we set aside the continuing unconstructive unilateralism of the USA. Progress towards a progressive and socially just globalisation may flounder on both counts.

The fears that the neo-liberal character of globalisation would determine that national

social policy everywhere would take on a neo-liberal character too (Deacon 1997, Mishra 1999) have been partly allayed. In terms of the actual impact of economic globalisation upon social policy in more northern and more developed economies a new scholarly consensus is emerging (Scharfe 2000, Sykes et al 2001, Yeates, 2001, Swank 2002) that argues and demonstrates that globalisation does not necessarily have to lead to the residualisation (and privatisation) of social provision. In the north there are arguments and experiences that show that redistributive social policy with high levels of income taxation and high levels of public health, education and social security ARE sustainable in the face of global competition.

The neo-liberal approach of course risked creating increased inequity that compensatory social policy such as tax credits seeks to minimise. The most challenged were work-based welfare states funded on the basis of labour taxes with locked in inflexible labour contracts for industrial workers. So long as revenue for social provision was raised from citizens rather than capital and service jobs are high quality public ones high level universal social provision is sustainable and does not undermine competitiveness and ensure full employment. (Scharfe 2000, Sykes et al 2001). Swank (2002) concluded that "the political institutions and programmatic structures of the larger welfare states of Western Europe are precisely those that are most likely to blunt the pressures of internationalisation; the political institutions and programmatic structures of (relatively small) liberal welfare states are those most likely to facilitate some retrenchment in the presence of economic and political pressures generated by globalisation. As a result we are not likely to see substantial convergence around a market-conforming model of minimalist public social protection" (Swank 2002. p5).

The UN Commission for Social Development addressing the question of the quality of public services recently concluded that "The Commission emphasise the crucial role of the public sector in, inter alia, the provision of equitable, adequate and accessible social services for all so as to meet the needs of the entire population" (para 1) and again in the context of assessing the choice between public and private provision the Commission notes that while services can be provided by private entities it also "reaffirms that any reform of public >

service delivery should aim at promoting and attaining the goals of universal and equitable access to those services by all” (para 12).

Perhaps it is within attempts to steer developing countries towards the meeting of the Millennium Development Goals that are after all focussed on basic education and basic health and basic sanitation and water services that we should look to see if the earlier concern that these would lead to targeted residualism was soundly based or not. Certainly the UNDP’s Human Development report (2003) which focuses on these goals balancing in an interesting way its focus on basic services for the poor with a concern for equity. In general terms it firstly reasserts some of the lessons of high human development achieving countries. In high achievers such as Botswana, Kerala in India and Cuba “Public finance was adequate and equitable. In high-achieving countries political commitment is reflected not just in allocations of public spending to health and education but also in their equity” (UNDP 2003,p87).

Recognising the concern of the Bank and others that none-the-less public spending on health and education can be ‘captured’ by the better off it strikes a balance between the need to maintain public expenditure for all social groups while also giving priority to the poor. In education it asserts the need to increase expenditure on primary education (to benefit the poor) but at the same time argues “Still, additional resources are needed for higher education as well if countries are to build capacity to compete in the global economy- but not at the cost of primary education. Entire education budgets need to increase”. (UNDP 2003, p94).

“Perhaps it is within attempts to steer developing countries towards the meeting of the Millennium Development Goals that are after all focussed on basic education and basic health and basic sanitation and water services that we should look to see if the earlier concern that these would lead to targeted residualism was soundly based or not.”

While attempts to restore the case for an equitable approach to social policy may not be unsurprising coming from UN agencies a more important indicator as to whether the global ideological tide is shifting would be what the World Bank is saying. The latest World Bank’s World Development Report (2003) that is focussed on making services work for poor people suggests that there might be some movement. There is a tension within the text and probably among the authors between those who stay with the line that much public spending by developing countries benefits the rich and is therefore to be refocused on the poor (e.g. figures 2 page 4) and those who would appear now to have accepted and argue the point that “cross class alliances” between the poor and non poor are needed to pressure governments to “strengthen public sector foundations for service delivery” (Figure 10.1 page 180).

The GASPP programme (and others) has long been arguing for policy coherence between the conflicting agendas of different Ministries at national level and conflicting International

Organisations at global level. We wrote, “ Policy synergy is the key to effective national action on the global stage. Policy coherence between the UN social agencies and the Bank/WTO/IMF is predicated upon policy coherence between national Ministries of Social and Development Affairs and national Ministries of Trade and Agriculture” (Deacon, Ollila, Koivusalo and Stubbs 2003. p 33).

It is gratifying to note that the report of the World Commission on the Social Dimension of Globalisation takes this argument as one of the corner-stones of its case for why action at national, regional and global level is needed to bring about a more effective global governance which would ensure proper attention to the social dimension of globalisation. What do its recommendations say about global social



redistribution, global social regulation, global social rights and global social governance?

In terms of global social redistribution the report continues to mince words about global taxation but argues that; "A greater effort of resource mobilization at the international level is a basic requirement. The commitment to the target of 0.7 per cent of GDP for ODA must at long last be respected (para.453-458). A wide range of options for additional sources of funding should also be actively considered (para. 471-472). The potential of voluntary private contributions and philanthropic endeavours for global solidarity should be more fully tapped (para.471-472)". Interestingly it argues that "international action is likewise needed to support national social protection systems, in order to ensure that there is a minimum level of social protection in the global economy (para.488-491)" While not mentioned in the summary of recommendations the report does (para. 646-470) propose a form of international tax co-ordination.

In terms of global social regulation the report argues; "The rules of the global economy should be aimed at improving the rights, livelihoods, security and opportunities of people, families and communities around the world. That includes fair rules for trade, finance and investment, measures to strengthen respect for core labour standards, and a coherent framework for the cross-border movement of people (para.361-367). It continues treading delicately around the ILO/WTO social clause/labour standards issue by saying that; "The capacity of the ILO to promote respect for core labour standards should be reinforced. All relevant international organisations should assume their responsibility to promote these standards and ensure that their policies and programmes do not impede their realization (para.426)". Perhaps its most radical ideas are to be found in the sections dealing with migration. "Steps should be taken to build a multilateral framework that provides fair and transparent rules for the cross-border movement of people. We recommend a systematic approach which (a) extends and revitalizes existing multilateral commitments on issues such as the rights and protection of migrant workers and trafficking, especially of women; (b) develops common approaches to major policy issues through dialogue between countries of origin and destination (c) and seeks to build a global

framework for an orderly and managed process in the common interest. (para.433-444).

In terms of global social rights some of the above points also apply. In addition it is to be noted that the report links the issue of social rights to the resources needed for their realisation in practice: "Education, health, human rights, the environment and gender equality should all be addressed through an integrated approach to economic and social goals (para.511-514)"

It should be restated that the report focuses firstly upon the coherence required within national policies towards globalisation before any of the above can be achieved and also and, importantly stresses that the development of regionalism with a social dimension should be an important component of any reformed global governance architecture.

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An abridged version of a presentation by **Professor Bob Deacon**, Director of the Globalism and Social Policy Programme.

Global Governance & the World Commission on the Social Dimension of Globalisation

by Johan Schölvinck

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At the Millennium Summit, the Heads of State and Government stated "We believe that the central challenge we face today is to ensure that globalisation becomes a positive force for all the world's people." This statement would seem to imply two facets: one that globalisation is worth pursuing and, two, the recognition that it is not benefiting everyone. In other words, the goal is to preserve and advance globalisation while simultaneously ensuring that it is not seen as a criminal atrocity.

Some three-and-one-half years after the Millennium Summit it can be said that globalisation is pursued with vigour, especially by the developed world as well as by a number of international institutions, most notably the International Financial Institutions and the WTO, especially by means of advocating liberalization policies. The other side of the coin, that is, that "globalisation *becomes* a positive force for all" appears lost in the bargain in the sense that the word "*becomes*" has not yet been transformed into the word "*is*".

This brings me the Report of the World Commission on the Social Dimension of Globalisation whose central conclusion, I believe, is that the problems associated with globalisation are not due to the phenomenon itself but are due to "deficiencies in its governance." Global markets have grown rapidly without the parallel development of economic and social institutions necessary for their smooth and equitable functioning. There is lack of policy coherence in the areas of trade, investment, finance, social issues and development as well as a serious democratic deficit at the heart of the system. And this is where the shoe pinches. It is not globalisation per se that is the troublemaker but rather the complete lack of managing the globalisation process where the problem lies. As

long as this, so-called, management is in the hand of a few rich countries we cannot expect those who are excluded from this management to buy into it or, to use a popular phrase, to own it.

One of the first recommendations made by the World Commission is the creation of a Global Parliamentary Group concerned with coherence and consistency between global economic and social policies, which should develop an integrated oversight of major international organisations of the UN system, the Bretton Woods Institutions and the WTO.

Perhaps because I have spent some 23 years at UNHQ in New York, I see this recommendation with great wariness. Besides the fact that not all countries have parliaments, coming to a common position among parliamentarians, who represent different parties in their own countries, on integrated oversight of the multilateral system is hard to fathom. Parliamentarians do come to New York but most of them have little or no experience in multilateral work. Furthermore, most are concerned with their own domestic issues and often see the deliberations in, say, the



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General Assembly through that lens. And, last but not least, parliamentary oversight can become a double-edged sword as we have seen with the US Congress overruling international commitments made by its own Government.

Other than this proposal on creating a Global Parliamentary Group, the report is rather subdued on reform proposals that could make the UN a more representative and politically effective body in dealing with global governance, policy coherence and integration of economic and social goals. Granted, recommendations are made on the undertaking of Policy Coherence Initiatives by relevant organisations on key issues addressing the social dimension of globalisation. These should aim at progressively developing integrated policy proposals that appropriately balance economic,

social and development concerns on specific issues. The Chief Executives Board of the UN and ECOSOC should be kept informed of the evolution of these initiatives.

These recommendations are worth pursuing - in fact my department, the Department of Economic and Social Affairs is eager to participate - but their limitation lies in the fact that they are carried out by the Secretariats of the various, so-called, relevant organisations. Reports by international bureaucrats are unfortunately no substitute for UN reform. They can contribute to that reform, but in the final analysis it is up to the Member States to come to an agreement on global governance, policy coherence and integrating social and economic policies.

Perhaps the reluctance of the World Commission to engage in recommendations directly addressed to the intergovernmental side of the United Nations is found in the fact that the quest for reform has been an integral part of the life of the world body since its earliest days. Many strands of restructuring have been adopted over the years. This year alone, several processes have touched on aspects of UN reform. Thus, the working group on the reform of the Security Council has continued its work. Processes are currently ongoing to revitalize the work of the General Assembly under the guidance of its President, reform the work programme of the Second Committee and follow-up on the 2002 Agenda for Further Change of the Secretary-General. Paralleling and often inspiring these reorganisations, there has been a continuous flow of proposals from scholars, think tanks, foundations, NGOs, panels and commissions of high-level persons on how to improve the UN.

Although the World Commission does not address the General Assembly, it may be worth mentioning that Member States, *notably developing countries, have long advocated that the political authority of the General Assembly should be restored. Thus, the General Assembly has adopted regular resolutions on restructuring the UN in the economic and social area and on revitalizing its own work. Year after year, these resolutions have reminded that the Assembly is the highest intergovernmental body for the formulation and appraisal of policies in the economic, social and related fields and should exert greater policy leadership in development issues. Though these resolutions have done little to reinstate the leadership role of the General Assembly on international policies, they have nonetheless helped to clarify the respective tasks of the Assembly and of ECOSOC.* ECOSOC



is seen as having a special role in improving the coherence of the economic and social work of the UN, notably with the Bretton Woods institutions and the WTO.

"Is seen" is the operative term. The difference between being "seen" and actually "having" this special role by ECOSOC is quite wide indeed. Here, I should acknowledge that the World Commission does address the role of ECOSOC in policy coordination and coherence, albeit in a somewhat circumspect fashion.

Lest we forget, the Economic and Social Council has been the subject of repeated reform campaigns during the 1970s, '80s and '90s. It has been enlarged twice: first in 1965 from 18 to 27, and then in 1973 doubling to 54 members. A number of UN-sponsored and independent studies have weighed in on the issue of reform. Some reform proposals have been realized over the years – notably the institution of a high-level segment – but there has been no agreement among the Member States on a more fundamental restructuring.

It is no surprise that there is no agreement among Member States on revitalizing the ECOSOC, let alone on establishing an Economic and Social Security Council. The World Commission wisely refrains from going into this thicket but rather looks at the existing ECOSOC. It recommends that what is needed are "changing the political attitude", "upgrading the level of representation", and "a clear will to use it as a high-level policy-making body". Participation of Ministers, including finance ministers, is also foreseen as well as the establishment of an Executive Committee. Although I would be the first to applaud such an outcome, my more pragmatic self tells me that this is not going to happen, at least not any time soon. First of all, ECOSOC is a body based in New York, which means that its natural constituents are mainly the Ministries of Foreign Affairs, and to some extent Ministries of Development Cooperation. Ministers of Finance never attend ECOSOC except the rather uneventful gathering after the Spring Meetings of the Bretton Woods institutions. Note, by the way, the word "after". What this signifies is that the ECOSOC is informed on what happened in Washington rather than the other way around.

Second, attracting high-level representation is only likely if not only the topic under discussion is worth attending but also if its outcome has any significance. This is difficult to achieve as long as "ECOSOC has a limited capacity to influence the dynamics of globalisation in the areas of trade, finance, investment and technology" to

quote the World Commission. Furthermore, and this is worth remembering, the delegates who attend ECOSOC are almost all those who deal with Second Committee matters, that is, the Committee of the General Assembly that deals with economic and financial matters. Third Committee delegates or those dealing with social issues are conspicuously absent except when the issue of human rights is on the table.

Finally, there is the idea of setting up an Executive Committee. This, of course, goes back to the trade-off between representativeness and effectiveness. This idea is somewhat akin to the proposal to transform the General Committee of the General Assembly whose role is currently mainly organisational: that is, assigning agenda items to various committees etc. into an annual summit-level decision-making body on global economic and social governance. The President of the General Assembly would invite the member states of the General Committee at the appropriate level (Ministerial or Heads of State level) to attend a meeting at the beginning of each Assembly session. The President of ECOSOC should also be a member of the Committee.

The immediate problem that arises with the Executive Committee in ECOSOC is "who will be on it?" because it becomes suddenly a potentially powerful entity. Similarly, being a member of the General Committee of the General Assembly is currently almost entirely ceremonial. The moment it is transformed into a decision-making body the interest on serving on it will increase exponentially. These approaches can be likened to putting new wine in old bottles and will therefore not meet with any agreement among the Member States.

There is perhaps no other intergovernmental body in the United Nations better placed than this Commission for Social Development to take the lead in showing the absolute imperative of integrating social and economic policies. It can and should play an important role in overcoming the suspicions that still exist between those stressing macroeconomic stability and economic growth and those advocating social justice, equity, social protection and inclusion.

The challenge and opportunity for the Commission for Social Development is to make a strong case for the integration of social and economic policy thereby contributing to greater policy coherence. In this regard, the Commission cannot remain a self-referencing body whose results get only a cursory review at ECOSOC. The subject matters it deals with are far too important, far



too fundamental to be relegated to the margins. One way to get out of this self-referencing mode is to transform its Agreed Conclusions – that is, the outcome document of its priority theme - into a resolution preferably for action by ECOSOC or even by the General Assembly. Also, I believe that this course of action may lead to a more focused product than what is thus far produced by the Commission in its Agreed Conclusions.

Progress in the United Nations is achieved incrementally and by consensus. Big bang solutions, no matter how sensible to those who advocate them, almost always fail because what makes sense to some is complete anathema to others. This is something NGOs should keep in mind when dealing with the Organisation. NGOs, by their very nature, represent special interests. Getting these special interests into intergovernmental negotiations is often difficult and even if they do, they are often watered down. In closing, I would like to echo the World Commission when it says: “We invite ... relevant NGOs, to examine and, where appropriate, to act upon our recommendations for improving national and global governance and ensuring greater coherence in policies relating to globalisation.”

Johan Schölvink Director, Division for Social Policy and Development, Department of Economic and Social Affairs, United Nations



It is not globalisation per se that is the troublemaker but rather the complete lack of managing the globalisation process where the problem lies. As long as this, so-called, management is in the hand of a few rich countries we cannot expect those who are excluded from this management to own it.



The Millennium Development Goals: Targeting Basic Services for the poor or ensuring Universal Access?

by Santosh Mehrotra



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There are five sets of issues that derive from work we have done on the UNDP HDR report: as far as public service provision is concerned.

1. The level, efficiency and equity of public expenditure in a development context.
2. The adequacy of aid.
3. The question of privatisation
4. Improvement in Governance
5. Macro Economic and Social Policy

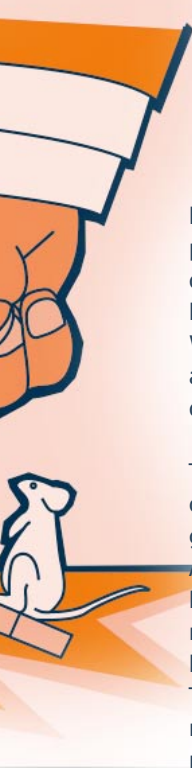
In most rich countries the government accounts for more than 40% of GDP – in most developing countries public expenditure is less than 20% of GDP. With development the size of the government is expected to rise. The enormous challenges of reducing hunger, preventing deaths and spreading literacy require an increase in public spending. Further, it is remarkable that not a single country in the industrialized world spends less than 5% of GDP on government-financed health services. At the same time, rarely do developing countries have a share of public health spending in GDP of 5%; in most cases, it is less than half that proportion. In India it is 0.9% and in China 2% of GDP. Similarly, rarely do industrialized countries spend less than 4.5% of GDP on publicly financed education. Only a small proportion of developing countries allocate as much as that. So with more development an increased consequential size of the state is inevitable. There is a need for debt relief and for fiscal resources. IMF programmes for this need revisiting. The MDG basic targets can only

be achieved if there is more expenditure overall not just for the poor but for all, since reasons of political economy preclude any cuts in low overall health and education spending.

Aid needs to be improved both in amount and effectiveness. Total aid had fallen in absolute amounts as well as a percentage of rich countries' GNP over the 1990s. Overseas Development Assistance (ODA) for agriculture fell in the 1990s, in absolute amounts as well as a share of total ODA – which has significance for the hunger goal. In the 1990s bilateral aid for education fell from \$5 bn to \$3.5 bn, dropping to just 7% of ODA – an all time low. Bilateral commitments to basic education were \$402 mn a year in 1996-98 and fell sharply to \$222 mn a year in 1999-2001. Also, donors should be less reluctant to spend on recurrent costs such as teachers and doctor's salaries. Aid needs to flow through government budgets. The network of ICSW members has a role to play in advocacy in this regard.

Why has privatisation been encouraged? Because there is:

a) no government or b) low quality services and because of c) ideological pressures to liberalise. Despite the World Development Report (WDR) 2004 being more sympathetic to public expenditure other bank policy documents have still pushed privatisation. There is the 2000 Bank's Private Sector Development Strategy where social services are highlighted as a focus for private development and the 2002 International Finance Corporation (IFC) Strategy paper, which highlights >



health and education as 'frontier areas' for IFC to promote privatisation and the private sector. The downside of all of privatisation in the health sector has been inequity especially in Latin America. Water privatisation in particular has problematic aspects – on all of which there is extensive discussion in HDR 2003 (www.undp.org/hdr).

The problem is that the historical experience of richer countries has been neglected. Here generally partial privatisation has taken place AFTER universalisation of public provision. And here it has taken place where there is state regulatory capacity to handle access issues. The UNDP HDR have no objection to cost recovery plans in terms of some consumer charges if these are planned carefully and under very strict conditions, discussed in the HDR 2003. It is sudden cost imposition for all on basic water and others services which is the problem. If there are gaps in provision there is a place for public-private partnerships and for NGO involvement. This implies a role for ICSW members as well.

4 Key aspect of governance is decentralisation. HDR 2003 puts forward a new and operational model of democratic decentralization, which has been demonstrated to ensure effective delivery of basic services in many parts of the world. It requires three elements: a functioning state that has the ability to decentralize the delivery of basic services; two, the decentralization, in respect of basic services, the functions, functionaries and finance to local authorities, which are relatively closer to the people; and three, voice for the people through institutional mechanisms, which enables people to demand accountability from the local authorities responsible for delivery of basic services. This does seem to ensure a faster response to problems, more accountability of providers to citizens. BUT if there is to be effective decentralisation then functions relating to basic service delivery need decentralisation including fiscal policy and practice coupled with resource redistribution from central government to poor regions. Voice is more enabled at a local level where ICSW members are active.

“The MDG basic targets can only be achieved if there is more expenditure overall not just for the poor but for all, since reasons of political economy preclude any cuts in low overall health and education spending.”

5 A big remaining issue, if MDGs are to be realized, is whether macro-economic policies recommended by the international financial institutions, will allow economic growth to take place in a manner that is inclusive of the poor. The issue for the future is: whether orthodox macro-economic policies are consistent with MDG achievement. That is, the macro-economic policy recommendations of the IFIs for the last two decades have failed to deliver even growth in the majority of low and middle income countries, let alone growth with equity. Research by World Institute for Development Economics

Research (WIDER) has demonstrated that within-country income inequalities have risen in a majority of low and middle income countries and transition economies. Yet, despite the new rhetoric of Poverty Reduction Strategy Papers (PRSP) (produced with governments by the IMF and the World Bank) and Poverty

Reduction Growth Facility (of the IMF), a review by the Nordics of the PRSP process and content in early 2003 suggested that there is little scope for alternative macro-economic policies within these instruments. Similarly, an evaluation of prolonged users of IMF funds by the Internal Evaluation Office of the IMF had pointed out in 2002 that there is little scope for involving stakeholders other than the Ministry of Finance in the determination of macro-economic policies, despite the fact that prolonged use of IMF resources had not resulted necessarily in improving economic performance in a large number of countries examined in the evaluation.

Santosh Mehrotra, Senior Policy Adviser, Human Development Report Office, United Nations Development Programme made a presentation at the Meeting of Experts on International Social Policy on the UNDP Human Development Report 2003: Millennium Development Goals: A compact Among Nations to End Human Poverty. Following are some brief highlights of his presentation titled, “The MDGs: Targeting Basic Services for the poor or ensuring Universal Access?”

Making Services Work for the Poor: Challenges Ahead

by Anita Kells-Viltanen

“Policy management is particularly difficult in health, education, and infrastructure because...costs come early and impact much later.”

WDR 2004, 192

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Have social policy concerns now been mainstreamed at the center of global and national agendas? Has the agenda matured from considering social development as investment for future wealth and welfare rather than just cost? Are there now efforts to avoid or prevent people from becoming victims of bad market choices, quick profits and unstable economies? Has economics become socially aware? Can we be sure that global social policies and strategies, as now defined, will continue even with graying populations and with businesses relocating in search of cheap and docile labour?

The World Development Report of 2004 makes a good analysis of the complexity of problems and systemic constraints in delivering services to the poor. Here and there are success stories that need to be replicated, but not copied as situations differ. History, politics and institutions vary and determine what works, what doesn't, and why. It is cautiously optimistic. It warns against myopic views and standard one-fit-for-all solutions. There is a strong message of trusting people and tailoring to their needs. It makes clear that huge challenges lie ahead on the road that has now been mapped.

Although health outcomes improved in the second half of the 20th century the Report notes that progress has since slowed down. There is a

“If governments do not run well, they also cannot sustain good services. Good governance, transparency and lack of corruption are very important factors for good delivery.”

danger that millennium goals will not be reached in many regions. The report presents examples on health indicators such as under-five mortality being on the rise in Sub-Saharan Africa. According to the African Development Bank (2004) the majority of the African countries are unlikely to meet the Millennium Development Goals.

The World Development Report describes many types of failures in services: inaccessibility, unaffordability, poor quality, 'social distance', dysfunctionality and unresponsiveness to people's needs. Services on education, health, water, sanitation and electricity often fail poor people because the poor are not at the centre of service provision. While governments devote about a third of their budgets to health and education, they spend very little of it on poor people. For example, in Nepal 46 percent of education spending accrues to the richest fifth, and only 11 percent to the



poorest. In India the richest fifth receives three times the curative health care subsidy of the poorest fifth.

Why politicians also in well-functioning democracies do not deliver education, health, and infrastructure services more effectively to poor people, even though they depend on poor people's votes? Why are public expenditures systematically allocated to construction projects and the salaries of bulky state administrations, often at the expense of good services? These are some of the questions the report asks. According to the report, politicians are often in the pockets of businesses, other interest groups and core supporters rather than catering to citizen interests. Services do not reach the poor in weak societal systems, where providers have no incentive to perform well and politicians do not listen to the citizens. Many governments are also not accustomed to asking the poor for advice. Therefore, the involvement of NGOs and community groups is a key for successful delivery not just as service deliverers and accessing people's views, but also –and perhaps mainly– assessing wisdom of budgets and monitoring outcomes.

There are various monitoring systems for this: report cards, participatory budget formulations and social audits. The role of information technology can play an important role here. The report mentions the Karnataka case of improving access to computerized land records to rural households. There are many other examples on good ICT applications (see Kelles-Viitanen 2004).

For networked services, such as urban water and electricity, regulating providers and ensuring that poor people have access to affordable services are the main reasons for government interventions. For basic services in education, health, and infrastructure to work for poor people, governments have to be involved with underpinning effective services – through providing, financing, regulating or monitoring. But **if** governments do not run well, they also cannot sustain good services. Good governance, transparency and lack of corruption are very important factors for good delivery.



Bad performance is of course not just the prerogative of the public sector. The private sector has its fair share of problems too. The market is not always working in the interests of the poor. According to the report, the private sector left to itself cannot provide appropriate services to poor people, as it will tend to serve better-off clients with a fairly narrow set of services. A public sector with a strong ethos of public service will be needed. According to the report institutional arrangements need to take advantage of the strengths of the market (such as customer responsiveness and systemic pressures for innovation) and the strengths of the public sector (its ability to address equity and market failures and its power to enforce standards). It is also important to find a balance in the public-private mix to minimize market and government failures in financing and providing services. Making services work requires not just choosing appropriate providers but also aligning incentives with intended good performance outcomes and improving institutional arrangements for producing them.

According to the report the three institutional structures likely to influence service delivery the most, are budgets, decentralisation and public administration. The biggest payoffs to service delivery are likely to come from a few key actions: spending wisely (which is not the same as indiscriminately cutting budgets) and predictability in line with priorities that are coordinated across sectors; managing decentralisation to reap the benefits of being closer to the client; developing and deploying administrative capacity to take sound decisions at the top and implementing them well; curtailing corruption; and learning from success and failure.

Indiscriminate decentralisation has various pitfalls too. Is not without corrupt practices. There is also a danger that central governments use decentralization as an excuse to off-load expenditure responsibilities on to jurisdictions that cannot have recourse to potentially inflationary financing.

Systemic and institutional reforms are often necessary. They are often difficult to implement, as they upset entrenched interests. Changes require pro-poor coalitions (not coalitions made up of powerless only as they are mostly powerless) and change agents to push and pursue them. If they are not there or if they fail, strategic incrementalism is proposed as the option. But one should be careful for not just incrementing increments. Instead one needs to create more favourable conditions for future reform.

According to the report accountability that is enforced is very important. Institutional compacts are also required, whereby various actors/institutions become accountable to each other. Through them one can also break various forms of patronage networks, which distort outcomes and produce market failures. The type of governance and existing social structures of power matter, too. Corruption and bad governance is difficult to change, but it can be done when systemically addressed and when ballot boxes too are free to speak.

I asked whether we now have managed to mainstream social policy at the centre of national policy au par with economic considerations? We are not quite there yet. Now that we have good maps in the forms of various reports we need to walk the talk. There is going to be resistance, because of vested interested and anti-poor social structures. The old economic paradigm with its belief in trickle-down effect is also still rampant. According to the World Development Report economic growth is a major determinant of human development. The only problem referred to, is its slowness. Surely there are other issues too. We must ask what kind of economy and for whom? As noted by Ravi Kanbur "it is the way in which the fruits of economic growth are used that is critical".

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A Fair Globalisation

A Brief and Reactions to The Report of The World Commission on the Social Dimension

Rolph Van De Hoeven, Manager of the Technical Secretariat, World Commission on the Social Dimension of Globalisation made a presentation at the Meeting of Experts on International Social Policy on the World Commission's report, A Fair Globalisation: Creating Opportunities for All.

The report can be found online on: <http://www.ilo.org/public/english/wcsdg/docs/report.pdf>. The Commission has produced a consensually approved document that lays down a number of measures to be taken by both international organisations and governments on a global basis. Following are some reactions to the report:

Mark Malloch Brown, Administrator UNDP:

"As you know, the issue of globalisation has been discussed on many occasions, both within the UN and in other forums. I am therefore particularly impressed with the Commission's objective views on the positive as well as the negative aspects of globalisation and its contribution of proposals at both the national and international levels. I fully support the importance given to employment and core labour standards, together with fairer rules for trade, investment, finance and migration. I believe the Commission is fully on target with the emphasis on good governance. I believe this is an essential condition if we are to meet the Millennium Development Goals."

Agustin Carstens, Deputy Managing Director, International Monetary Fund:

"The Commission's Report presents a number of useful and sensible recommendations. In particular it highlights the important role of good governance, effective social safety nets, and provision of adequate levels of services with positive externalities, such as education and health care, to limit the effects of globalisation on income inequality. The IMF is more than willing to participate in a working group made up of several UN institutions and other IFIs to

study ways to promote growth, investment and employment, provided that this is not governed by the strictures of a PCI and the mandate of each institution is respected."

Don McKinnon, Secretary-General, Commonwealth:

"I believe there may be some convergence with the recommendations of the Report of the WCS DG and those coming out of the Commonwealth's Expert Group's Report on the linkages between democracy, development, poverty and conflict, and that we can work together to see that the reports have a positive impact on the international stage."

Guy Ryder, General Secretary, The International Confederation of Free Trade Unions

"The international trade union movement applauds this report since it understands the myriad issues involved in developing a more inclusive form of globalisation including growth, investment and decent employment in the global economy. We expect international meetings this year, such as the G8 Summit in the US in June, to give the report full backing and examine how to implement its recommendations."

Civil Society & the Global Social Policy

Southern Civil Society Agendas and Capacities: The Latin American Context

by **Candido Grybowski**

Agenda: Spaces, Opportunities and Strategies for Influence: The Latin American Context.
Cândido Grzybowski, Director General, Brazilian Institute of Social and Economic Analysis

After a cycle of dictatorships and revolutionary wars, Latin America now follows the difficult path of democratic construction. This must be seen as just a trend. The new and still fragile democracy in Latin America is facing great challenges. The progress in terms of democratic institutions took place at the same time that policies emanating from the "Washington Consensus" were adopted, totally opening up the countries of the region to the economic-financial globalisation under the patronage of the free market.

The vitality of civil societies contrasts with the endemic crisis of the political and party systems, and with the growing disenchantment with professional politicians and forms of representation. A result of the policies of dismantling and readjustment enacted to be in synch with economic-financial globalisation, the State itself became bureaucratic and distant, contributing to widening the gap between civil society and the political institutions.

A fundamental political fact from recent history, and which contains a democratic radicalness until now little analyzed, is the practical redefinition of the idea of citizenship based on the development of the civil societies themselves. This occurs in several Latin American countries, but especially

in those, like Brazil, in which old struggles and movements create new social actors as a response to their situation of exclusion or economic, cultural, and political subordination.

The struggle for new forms of inclusion in the economy as well as in the social, cultural, and political life, is the true expression of the possibilities and limits of democratization in our reality. We are living a contradiction between a growing demand for inclusion in the fundamental rights and the real processes of

expulsion and migration, including those leading to other countries and the region, the growth of slums, the growing informal nature of work (that is, without any benefits or rights), unemployment.

Radicalizing democracy must necessarily and indispensably be a step that goes through civil society, especially for the possibilities of making visible the invisibles, through the conquest of a citizen's power for them. The process of empowerment brings with it new organisations, a democratic culture of rights, and a real capacity for influence in the political struggle.

Despite the complexity and importance with which the issue of the civil societies is emerging, one cannot conclude that they are essentially democratic or democratizing. From their

“How democratization will progress in our countries with this awakening of a planetary citizenship is an issue that is still totally open for debate.”

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extension, diversity, and dynamism, one can only extract the conditions for greater or smaller democratic advances. The most essential element produced by civil societies is the expansion of the public space, the space of rights and of social conscience upon them.

A key issue in this question is the nature of democratic culture that can arise from the development of civil society. The problem is how they are articulated and form political coalitions of social subjects, of fragmented actors, of diverse and multiple interests in a given society that, as simple as it may seem, is complex. The culture of rights, that forces us to recognize in others equal rights in diversity, advances, but still comes up against a still strong traditional culture that is essentially antidemocratic. This is expressed in their own organisations, social movements, and in the entities, many times hierarchical and controlled internally by privileged groups and reproducing, when not expanding, inequalities of gender, ethnicity, race, and structures resistant to change.

Today, in Latin America, the factor that contributes the most to deepen the gap between institutions and State, on one side, and civil societies, on the other, are the adjustment and restructuring policies adopted. These occur at different moments but in all countries. They have to adapt themselves to the economic and financial globalisation of the free market. It is from the neo-liberal globalisation that emanate policies for the dismantling of the State, the flexibility of

worker's rights, of the greater autonomy granted to essential decision-making instances, of the priority of financial and commercial rights upon humans and citizens rights.

In the two decades of democracy in Latin America, with the already described limitations, there was a development of new experiences that it is essential to recover. It is the so-called participatory governments, where the issues of institutionalization and State power begin to be redefined and new bridges – overcoming "gaps" – are constructed between the civil societies and the institutional policy. The greatest example of this is the PT in Brazil.

One aspect to point out is the articulation of diversity of social actors, from local to national levels, from regional to global levels. Civil societies have become increasingly internationalized in opposition to the globalised economies and the governments that promote it. This is a new and challenging issue for democracy, as it goes beyond National States.

The recent example of the World Social Forum must be highlighted here. Its strength is also its greatest challenge: the meeting of diversity and the collective learning of a new way of making politics, where all those who fight for human rights are important. How democratization will progress in our countries with this awakening of a planetary citizenship is an issue that is still totally open for debate.

Government report

Poverty Reduction: PRSPs as planning tools?

by Timo Voipio

The Earth Summit 1992 which promoted environmental policies and the World Summit on Social Development 1995 which promoted poverty reduction and employment and social policies and Jubilee 2000 led by NGOs the Highly Indebted Poor Country (HIPC) initiative of the World Bank and IMF and the riots at the World Trade Organisation ministerial meetings in Seattle and Washington DC all led to the introduction of the PRSPs.

Timo Voipio, Advisor, Social Development/ Security, Department for Development Policy, Ministry of Foreign Affairs, Finland made a presentation at the **Meeting of Experts on International Social Policy on "PRSPs, Donors and the Social Dimension: Poverty Reduction from Projects to Programmes to Policy Support"** Following are a few of his major points.

PRSP is a Poverty Reduction Strategy Paper, a document for the International Monetary Fund and the World Bank. The PRS is the Poverty Reduction Strategy focused on Ideas and Action. The PRSP has increasingly become the framework for bilateral donor aid. The presentation discussed World Bank risk and vulnerability assessments for African nations and social risk management strategies.

They have emerged as Policy Reforms from the Structural Adjustment Programmes of the 1980s-90s which were characterised by conditionality: policy reform for large loans. The IMF & WB pursued a neoliberal "one-size-fits-all" policy package known as the 'Washington Consensus' which was highly criticised. A movement for structural adjustment "with a human face" was led by Unicef and pursued by NGOs.

Both the Earth Summit 1992 which promoted environmental policies and the World Summit on Social Development 1995 which promoted poverty reduction and employment and social policies and Jubilee 2000 led by NGOs the Highly Indebted Poor Country (HIPC) initiative of the World Bank and IMF and the riots at the World Trade Organisation ministerial meetings in Seattle and Washington DC all led to the introduction of

the PRSPs.

Shifts in the Consensus: OECD Development Assistance Committee Poverty Reduction Guidelines evolved from single-dimensional money-metric focus on GNP/capita and US\$/day to a multi-dimensional concept of poverty considering the interrelation of:

- Security: vulnerability social protection, social risk management
- Economics: consumption, income, assets
- Human needs: health education, hunger, thirst
- Socio/cultural features: status, respect, dignity
- Political: rights, freedoms, voice and influence
- Gender and environment cross cutting themes

What are PRSPs?

First: Condition for IMF's and World Bank's Highly Indebted Poor Countries debt relief

Then: Condition for further concessional lending (IMF: PRGF, WB: PRSC)

Now increasingly: Guiding framework for bilateral donors' aid (projects, sector programmes and **budgetary assistance**, e.g. PRBS)

And: National Action Plan towards MDGs

Key antecedents of PRSPs: Poverty has been at the top of the international agenda since WSSD in 1995. From 1996 OECD-DAC seeking **partnerships** for more effective aid, recipients taking a larger role ('S21') UNDP-support to national poverty eradication strategies (NPES) from 1996 but usually weakly-linked to core national decisions such as budget

PRSPs - Opportunities: Poverty to be "mainstreamed" in national systems, providing **priorities** for both the national budget and for donor aid. Poverty reduction efforts to be more

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“**country owned**” and thus more successful. But these are opportunities, not certainties. The success of the PRS initiative depends on three gambles:

- 1 **If** governments are obliged to discuss poverty, and what they are doing about it, with citizens, **then** they are likely to take it **more seriously** and be **held to account** more effectively
- 2 **If** donors have a national PRSP to coordinate around, **then donor behaviour** and aid management will improve - leading to **lower transaction costs**, and less damage to national institutions (e.g. TZ: 2000 x 4 quarterly reports/year)
- 3 **If** the PRS is taken seriously by all parties, **then** relations between donors and governments will change more fundamentally - with increased **domestic democratic accountability**, more effective aid and better poverty outcomes

Year-by-year: The PRSP schedule

Interim PRSP Preparation status report (9-24 months) (HIPC II decision point)
PRSP(I) 1st annual progress report, 2nd annual progress report (2-5 years) PRSP (II)
(HIPC II Completion Point)

How? The PRS Cycle

Like projects, PRSs are supposed to involve a series of steps, so that design is based on evidence and is then improved by learning (M&E)
Poverty analysis, policy formulation, financing, communications, policy implementation, monitoring and evaluation

The social dimensions of Poverty Reduction Strategies first emphasise Poverty Analysis. Baseline data & diagnostics then emphasise Policy Formulation
Includes Household Budget Survey, administrative data, participatory poverty appraisal, focused studies: poverty profiles, poverty mapping, Capacity building for statistics & analysis and participatory process. Open, democratic process, including parliament, the private sector, unions, civil society organisations, donors, International Financial Institutions.
Ex ante impact assessment. Including Poverty and Social Impact Assessment of major ‘IFI-imposed’ reforms and programmes, including employment, regional patterns, gender, etc.

The Role of Social Protection in Policy?

World Bank: Risk and Vulnerability Assessment
World Bank: Social Risk Management (prevention/mitigation/coping)

ILO: Social Budgeting, Gender Budgeting

Increased focus on Pro Poor Growth:

An important topic but very different biases among bilateral donors:

Agriculture - USAID

Private sector - DFID

Infrastructure – Japan, Germany

Inequalities – Ireland, Sweden, Finland

Income poverty again (too often?) used as proxy for (multidimensional) poverty.

Mr. Viopio asserted that in Finland policy coherence is operational since linkages between social policy professionals and development professionals is in practice through cooperation among the Ministry of Foreign Affairs and Ministry of Social Affairs and Health and National (STAKES). In closing Mr. Voipio cautioned against falling into trap of forgetting multidimensional aspect of poverty.

Multilateral reports

Improving Public Sector Effectiveness: The Commission on Social Development's Conclusions

by Johan Schölvinck

Many delegations saw the efforts to enhance public sector effectiveness in the light of the implementation of the outcome of the World Summit for Social Development and attainment of the Millennium Development Goals, and emphasized that in order to improve public sector effectiveness, there was need for strengthened cooperation, at the international, regional and national levels.

Improving Public Sector Effectiveness and the United Nations Commission for Social Development,
Johan Schölvinck, Director, Division for Social Policy and Development, Department of Economic and Social Affairs, United Nations

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The Commission for Social Development met from 9 to 13 February this year at which it discussed its priority theme: "Improving Public Sector Effectiveness". Our input, which is mainly the report, we prepared for the Commission's consideration. Here I should stress that in view of the mandate of the Commission for Social Development, our report analysed the public sector from the perspective of its capacity to deliver social services effectively. Consequently, the report does not deal with the full gamut of public sector involvement.

The Report is divided into five sections. Under section I, the broad notion of the "public sector" is placed in the context of the activities of the United Nations and circumscribed in the light of the mandate of the Commission. The report states that since the issue of economic and social development in developing countries is central to the mandate of the United Nations, the role of the public sector continues to be one of the important items on its agenda. As a result, debates are increasingly about ways and means to improve the effectiveness of public institutions and public activities, and to increase their contribution to the realization of national and international goals. This recognition of the importance of stronger public institutions was especially brought out at the twenty-fourth special session of the General Assembly which stated: "to provide an effective framework to ensure an equitable provision of

basic social services for all ... and that an effective and accountable public sector is vital to ensuring the provision of social services".

Section II of the report, evokes the context of the call for improving public sector effectiveness. Thus, this section describes how most Governments are under significant pressure to not only reduce the size of their public sectors, budgets and social expenditures, as well as their role in the economy and society, but to also improve their overall performance, i.e., accomplish more with reduced means while at the same time perform in a globalising world, with a rapidly changing and highly interconnected environment that often leaves little room for error or freedom of choice.

Section III of the report analyses the concept of effectiveness as it applies to the public sector and its constitutive elements. This section notes, not surprisingly, that the public sector operates effectively when its results correspond to stated objectives. Three elements to assess its effectiveness in the delivery of social services are advanced namely: *accessibility*, that is reaching the intended population, *quality*, in other words, responsiveness of services to public needs and expectations, and *productivity*, or the efficiency of resource utilization. This section also addresses the differences between the public and private sectors and the need to acknowledge those differences. Perhaps one of the most important differences is that the public sector aims to increase availability and accessibility of services in an equitable way, especially to those who cannot afford them, rather than generate financial profits, the main objective of the private sector. ➤

In section IV the report examines five different means currently considered to improve public sector effectiveness. The first deals with levels and methods of financing. Concerning the levels of financing, the challenges countries face in pursuing a more effective public sector vary greatly according to prevailing social and economic conditions. In many developing countries, especially the least developed countries, the resources available for the financing of public social services are simply too low for such services to yield significant results, thereby compromising effectiveness. However, it should be recognized, and it cannot be emphasised enough, that the financing of efficient social services is not only an "expenditure" but also a long-term investment for economic growth and overall development. With respect to the methods of financing: taxation is crucial. A fair and efficient taxation system is an important base for public sector effectiveness. Of course this does not negate the need for better management, allocation and distribution of government expenditures in the search for greater effectiveness.

The second means addresses methods of delivery. Governments have looked to alternative service delivery mechanisms to raise the effectiveness and efficiency of public service delivery. These include decentralization, privatisation, and the introduction of non-governmental organisations, private-public partnerships and/or competitive market-based structures to supply services traditionally provided by the public sector. On this, the report stresses that it is necessary to exercise prudence in applying and implementing these alternative methods since not all of them are appropriate for every specific context or institutional environment.

The third means deals with privatisation. The report recognizes that privatisation of the provision of public goods and services is perhaps the most controversial of the alternative forms of service delivery. It is often associated with short-term disruptions and the long-term benefits remain open to dispute, particularly with regard to social services and the poor and vulnerable. International research supports a cautious approach and points to wide differences in the ability of countries to ensure equity through privatisation. In sum, the State has an irreplaceable role in establishing and enforcing regulatory frameworks and standards to ensure that both public and private service providers deliver in accordance with contractual agreements.

The fourth means concerns social dialogue and participation. The public sector is placing a higher priority on becoming more "client-oriented" and more responsive to changing and emerging community needs. Citizen participation and social dialogue, which involves various stakeholders in needs assessments and the decision-making processes governing the delivery of services, play a major role in enhancing service quality and facilitating the effective functioning of the public sector.

The fifth and final means addressed in this section deals with public servants. How effectively and efficiently the public sector operates also depends on the competency and commitment of the workers who comprise the public service. Improving human resources within the public sector will make it more service- and performance-oriented.

Finally, in the last Section of the report, 11 recommendations are put forward for consideration by the Commission. These recommendations, based on the analysis contained in the report, include:

- The call for strengthened international cooperation and the creation of a favourable international economic environment, and a strengthening of various forms of financial and technical assistance;
- The need for the international financial institutions to take full account of the role and specificity of the public sector in making recommendations on macroeconomic policies;
- The application of the basic principle of good government to all aspects of public sector operations;
- The need to take into account questions of equitable access and quality of services in the assessment of the effectiveness of public sector;
- The need to set clear objectives and priorities in the allocation of public resources;
- Mobilization of additional resources to achieve a critical mass of funding, recognizing the interdependence of social development expenditures;
- Consideration of alternative approaches to the delivery of social services;
- The need to review and rethink the relationship between public and private services, while recognizing that the fundamental objectives of those services and the ultimate responsibility of the State remain unchanged;
- The opening up of avenues of communication and information through the promotion of social dialogue;



- Advancing merit-based and transparent systems in hiring and promotion practices in the public sector.

Let me now turn to the discussion that took place in the Commission. In general, delegates stressed that public sector effectiveness was important for promoting social development, social justice and the well being of people. In this regard, the need to combat corruption, and promote democratic governance, citizen participation and transparency was emphasized. It was pointed out that an effective public sector, rooted in good governance, can serve as a tool for promoting poverty reduction and for addressing a more equitable delivery of social services. It was also pointed out that accessibility, quality and productivity of public services are important considerations for public sector effectiveness. The increased use of ICT has promoted the development of e-governments to enhance accessibility, transparency, information flows, and to enable timely delivery of social services to the population.

Some delegates cautioned that public sector reform should be guided by country-specific considerations and priorities, and build on human capabilities, institutional capacities and decentralization. Many delegations saw the efforts to enhance public sector effectiveness in the light of the implementation of the outcome of the World Summit for Social Development and attainment of the Millennium Development Goals, and emphasized that in order to improve public sector effectiveness, there was need for strengthened cooperation, at the international, regional and national levels.

Several delegations spoke of their initiatives to increase public sector effectiveness. While stressing that "one-size-fits-all" solutions to improving public sector effectiveness should be avoided, it was pointed out that public sector reforms should include continuous institutional and human capacity building. In this regard, it was important to undertake human resources development and training, including promoting effective and committed leadership and management in the public sector, making the public sector personnel more service- and performance-oriented, and integrating the work of the various social service sectors.

There was mention of the different approaches to public sector reform that have been adopted in the EU countries. Central to these initiatives are the role of public financial management and accountability. The timing and sequencing

of changes and reforms were also important considerations to avoid reform overload. In sharing their experiences with public reform, the EU mentioned the following important elements for improving public sector effectiveness: set clear objectives - what they do, for whom they do it and what they want to achieve; promote dialogue, debate and learning through democratisation, both in internal structures of power and in relations with external stakeholders; tie-in public social expenditures with the overall context of other government operation and total government expenditures; and, ensure complementarity among the various social services for achieving efficiency gains.

Whereas some delegations welcomed the recent increased involvement of the private sector in traditional public sector areas, such as the provision of infrastructure services, other delegates, mostly from developing countries, while acknowledging the benefits of a revitalized/modernized public sector, gave accounts of the disadvantages of privatisation. In their continuing efforts for economic and social reforms, including public sector reforms, it was emphasized that developing countries faced various constraints, both human and financial. In particular, the narrow tax base of many developing and least developed countries represents a limited source of financial resources. It was noted that heavy debt burden diverts financial resources away from initiatives to improve public sector effectiveness. There were calls for increased technical assistance and ODA commitment as well as debt relief/cancellation. Several delegations reported on aid to specific social sectors in developing countries, including in areas such as education as well as initiatives to combat HIV/AIDS.

Many delegations highlighted the importance of sharing national experiences in improving public sector effectiveness and noted that the Commission should endeavour to set out recommendations on this issue. In this context, the delegate of Switzerland proposed that the Commission for Social Development consider establishing a working group responsible for reporting on and monitoring good practices to ensure public sector effectiveness and to contribute to the development of criteria for measuring such effectiveness, toward attaining the Millennium Development Goals and international human rights goals.

In respect of the priority theme, the Commission adopted a resolution in which it recommended



the endorsement of its agreed conclusions thereon by the Economic and Social Council. In these conclusions, the Commission, *inter alia*, stresses that Governments have the primary responsibility for the provision of social services to enhance social development so as to contribute to the achievement of internationally agreed development goals. At the same time, national efforts need to be supported by an enabling international environment. It recognizes that a substantial increase in official development assistance and other resources will be required if developing countries are to achieve these goals. The Commission acknowledges that developing countries, particularly the least developed countries, need to have a sufficient level of financial resources to provide social services commensurate with the needs of their citizens. It acknowledges that improvement of public sector effectiveness could be achieved through, *inter alia*, dialogue, partnership and co-operation at all levels, and encourages Governments to strengthen the exchanges of experience and methods of effective delivery of public services. While each country has the primary responsibility for its own economic and social development, the Commission reaffirms that international cooperation has an essential role in the strengthening of the human, institutional and technological capacity. The Commission invites Governments to consider complementary and alternative approaches to the delivery of social services, and reaffirms that any reform of public service delivery should aim at promoting the goals of universal and equitable access to those services without discrimination and at eradicating poverty, protecting human rights, promoting full employment and fostering social integration. It emphasizes inclusive stakeholder participation and underscores the principles of transparency, accountability, integrity, efficiency and equality for improving the effectiveness of the public sector.

Editor's Note:

ICSW welcomes contributions worldwide for inclusion in this section. Please avail yourself of the opportunity of informing the international community of your social development initiatives and expertise through the Social Development Review. For contact information, please refer to inside cover page of this issue.

Publications

Human Security Now, Report of the Commission on Human Security

Vivienne Taylor, Professor, Department of Social Development, University of Cape Town, Former Deputy Executive Director/Program Coordinator for Development, Secretariat, Global Commission on Human Security presented the commission's conclusions at the Meeting of Experts in International Social Policy in Kellokoski, Finland April 2-3 2004.

The Global Commission on Human Security was independent of the UN, sponsored by the Japanese government and charged with finding common ground. At the World Summit on Sustainable Development the Commission convened hearings about how to bring about synergy between conflict and security as understood in international relations and development and poverty reduction. The Commission's report, Human Security Now, is available on www.humansecurity-chs.org

The report's call for human security is a response to the challenges in today's world. Policies and institutions must respond to these insecurities in stronger and more integrated ways. The state continues to have the primary responsibility for security. But as security challenges become more complex and various new actors attempt to play a role, we need a shift in paradigm. The focus must broaden from the state to the security of people - to human security.

Human security means protecting vital freedoms. It means protecting people from critical and pervasive threats and situations, building on their strengths and aspirations. It also means creating systems that give people the building blocks of survival, dignity and livelihood. Human security connects different types of freedoms - freedom from want, freedom from fear and freedom to take action on one's own behalf. To do this, it offers two general strategies: protection and empowerment. Protection shields people from dangers. It requires concerted effort to develop norms, processes and institutions that systematically address insecurities. Empowerment enables people to develop their potential and become full participants in decision-making. Protection and empowerment are mutually reinforcing, and both are required in most situations.



Human security complements state security, furthers human development and enhances human rights. It complements state security by being people-centered and addressing insecurities that have not been considered as state security threats. Human security seeks to strengthen and bring together efforts to address issues such as conflict and deprivation. Attempts are being made, for example, to realize the United Nations' Millennium Declaration and the Millennium Development Goals (MDGs). Achieving human security requires building on and going beyond the MDGs, by undertaking efforts to address the full range of critical and pervasive threats facing people.

The report recommends a series of policy conclusions and states that joint efforts are necessary - a network of public, private, and civil society actors who can help in the clarification and development of norms, embark on integrated activities, and monitor progress and performance. Human security could serve as a catalytic concept that links many existing initiatives. But effective and adequate resource mobilization is also required. Not only must there be greater commitment to providing additional resources but also a shift of priority assistance to people in greatest need.

In this respect, the Commission recognizes the valuable contribution of the UN Trust Fund for Human Security and encourages the broadening of its donor base. It also recommends the establishment of an Advisory Board on Human Security to provide orientation to the UN Trust Fund and follow-up on the Commission's recommendations. The Commission proposes the development of a core group made up of interested states, international organisations and civil society, around the United Nations and the Bretton Woods institutions, as a part of its critical initiative-in which a small input of resources might leverage great impact-to forge links with disparate human security actors in a strong global alliance. ➤

Progressive Globalisation: Towards international social democracy

Michael Jacobs, Adam Lent and Kevin Watkins,
Fabian Society - Fabian Ideas 608
www.fabian-society.org.uk

The pamphlet argues that globalisation as it is currently managed produces economic inequality, exploitation, and instability, which has serious implications threatening the security and future of the world.

Globalisation, once an obscure construct of sociologists and political economists trying to understand the new trends shaping the world in the late 20th century, has now become the embodiment of an entire ideological conflict. The authors of the pamphlet point out that, "What was once simply descriptive has become value-laden... Yet despite, or perhaps because of, its ubiquity, the daily impacts of the complex of forces summarised in the term globalisation – impacts in developed countries such as the UK as well as in the so-called Third World – still remain little understood. Globalisation is all around us, yet precisely what is going on is not always clear. This is particularly true of the politics of globalisation, where the intense polarisation between those 'in favour' and those apparently 'against' now frequently militates against understanding."

The pamphlet aims to offer a more useful conceptual and political framework, not only for explaining the processes and impacts of globalisation, but for thinking about its politics. It urges social democrats to end their general support for the neoliberal stance and instead adopt an agenda called progressive globalisation based on four pillars:

- An equitable system of global trade
- Regulation of global economic activity for stability, protection of employees, consumers and the environment
- The establishment of global mechanisms for the redistribution of income and wealth from rich nations and actors to poor ones
- The introduction of democratic legitimacy into the system of global governance

The authors do not accept that the imbalances produced by globalisation are automatic but offer that globalisation could offer new opportunities for cooperation and peace if it is wrested from an ideology designed to fulfil the self interest of the largest corporation and the wealthiest nations.

Global Covenant: The Social Democratic Alternative to the Washington Consensus

By David Held, Polity Press

In this pathbreaking book, one of the world's leading analysts of globalisation and global governance confronts the failures of international politics in the aftermath of 9/11 and the war against Iraq. He argues that there were and are alternatives to the way the western coalitions responded to the profound challenges of mass terrorism and political violence - alternatives which can better address the roots of these challenges and deliver political and social justice.

In order to grasp this alternative, the changing structure of the global order has to be understood. To this end, the book is divided into three sections: economics, politics and law. In each section contemporary trends are analyzed, problems confronted, and a series of detailed policies set out. The aim of the book is to focus on feasible and effective policy choices, which could lead to a progressive transformation of global affairs. Against the ideologues who are wholly in favour or hostile to globalisation, this book shows how globalisation can be better regulated to deliver human development, equitable economic change, democracy and justice.

This is an original book that will appeal to all those - students, policy makers, and the general reader - who confront questions about globalisation and global governance. It is an optimistic text that holds that progressive political change is still within our grasp.

David Held is the Graham Wallis Professor of Political Science at the London School of Economics and Political Science.



ICSW

Calendar of Events

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16-20 August 2004

ICSW 31st International Conference on Social Progress and Social Justice

Kuala Lumpur, Malaysia

(More information is available on the inside back cover of this issue).

Detailed information is available on:

www.ncwsdm-icsw31.org

29 – 31 August 2004

Second meeting of the Helsinki Group
The Helsinki Group will discuss nature and objective of its report with an annotated list of contents of the final report. It will start discussion on individual policy proposals.

Dar es Salaam , Tanzania

8-10 September 2004

57th Annual United National DPI/NGO Department of Public Information accredited Non Governmental Organisation Conference Millennium Development Goals: Civil Society Takes Action New York.

New York, USA

www.un.org/dpi/ngosection

October 2-5, 2004

International Federation of Social Workers (IFSW) Conference: Reclaiming Civil Society.

Adelaide, Australia

www.icms.com.au/ifsw

26-28 January 2005

Third Meeting of the Helsinki Group

The Helsinki Group will review the tentative draft of the final report while continuing its discussion on individual policy proposals. It will additionally explore further its' strategy for communication and implementation as well as partnerships.

New Delhi , India

9 to 18 February 2005

United Nations Commission for Social Development 43rd Session

Review of further implementation of the outcome of the World Summit on Social Development and the 24th special session of the General Assembly New York.

New York, USA

20-22 April 2005

Forth Meeting of the Helsinki Group

The Helsinki Group will finalise its report and makes decisions on its strategy for communication and implementation as well as partnerships. New York.

New York, USA

June 1-3, 2005

ICSW 2005 European Regional Conference The future of the European Social Model.

Lucerne, Switzerland