

The Citizen at the Centre in the EU

Global Developments in the Social
Sector and the role of NGOs



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What I will cover

- Global influences on social policy and social programmes
- Example of the world bank influence
- Three schools of thought on globalization
- Areas of social governance reform
- How we have moved from public sector universal provision to private sector and safety nets
- UN and finally ICSW

Global Influences

- Financial Institutions – World Bank, International Monetary Fund, World Trade Organisation
- United Nations, the UN secretariat and the UN social agencies eg UNDP
- Other non UN agencies eg International Labour Office, OECD
- The “Gs” G7, G20, G77 etc

World Bank and IMF

- Having enormous influence on national governments
- Evolving philosophies but believe in welfare pluralism i.e. state is not the only or even the primary financier and provider of social services
- 1990s WB into social paternalism
- 2000 social liberalism and corporatization
- 2004 World Development Report - making services work for the poor

Tension in the World Bank

- Two competing philosophies emerging
- Making services work for the poor means making services work for everybody while ensuring poor have access
- Alternative view is that public spending benefits the rich and should be refocused on the poor
- But other reports still emphasise privatisation

World Bank and Health Care

- Policy of welfare pluralism especially in health
- 1987 WB publication “Financing Health Services in Developing Countries”
 - Increase the amount patients pay
 - Develop private health insurance
 - Expand participation of the private sector in health care

World Bank and Pensions

- 1994 report “Averting the Old Age Crisis”
- Governments needing loans from WB or IMF forced into structural adjustment
- WB committed to “three pillars”
 - Minimal public pension
 - Contributory privatised pension
 - Private savings
- But not enough emphasis on governments protecting consumer interests

Three Schools of thought on Globalization

1. Globalization has a very significant impact on welfare states through increasing dominance of the market economy.
 - Internationalization means demise of nation-state autonomy
 - Reduces national policy options
 - Weakens labour movement
 - Expansion of trade creates unemployment and increases inequality

Three Schools of thought on Globalization

2. Globalization has an effect upon welfare states but these effects are mediated through national institutional structures and policy responses
 - Some welfare states are more compatible to competitiveness than others and adapt

Three Schools of thought on Globalization

3. Globalization is having relatively little impact on the welfare state
 - Changes are occurring for other reasons
 - Erosion of the welfare state is due to ideology rather than globalization
 - Domestic factors are causing change eg demography, technology and changes to family structures

Areas of Social Governance Reform

- World Commission on the Social Dimension of Globalization
- Call for global tax authority
- Reform of UN including Economic and Social Commission
- Involvement of civil society in UN
- Involvement of civil society in the Bretton Woods institutions (World Bank, IMF, WTO)

Universalism to Safety Nets

- Globalization as we know it took shape in the 1980s and 1990s
- Related to neoliberal policies typified by President Reagan and Prime Minister Thatcher
- Era of anti public provision discourse

New politics

- Social programmes were characteristic of the 19th and 20th centuries
- Late 20th and early 21st centuries beginning of the retrenchment of the welfare state or welfare reduction
- The politics of retrenchment is different to the politics that created the welfare state
- Extending benefits to large numbers is very different to taking benefits away

New politics

- Retrenchment politics characterised by political shift to the right, economic changes and the increasing costs of the welfare state
- “typically treacherous because it imposes tangible losses on concentrated groups of voters in return for diffuse and uncertain gains” (Pierson – The new politics of the welfare state)

Retrenchment policies

- Main goal is to dismantle existing universal programmes
- Globalization of policy and capital has reduced economic tools and independence of national governments
- Not worried about political unpopularity
- Use techniques of incremental and technical reforms which limits the emergence of opposition
- Power of organised labour and left parties has diminished

UN Commission for Social Development

- 2004 priority theme was public sector effectiveness
- Commission emphasised the crucial role of the public sector in the provision of equitable, adequate and accessible social services for all to meet the needs of the entire population
- Contrast with the minimalist approach of the millennium development goals – basic education, basic health, basic income etc

UN Commission for Social Development

- ICSW's submission to the Commission argued that an effective public sector is the single most important determinant of good governance
- ICSW defined public sector in terms of the functions it exercises
- It is not a question of who does what but who takes responsibility for access and equity
- ICSW argued that the state must ensure universal and equitable access to quality services – education, nutrition, health care, water and sanitation

ICSW

- NGO which works and advocates at global and regional level
- Mission is to relieve poverty
- Gains its knowledge from its members
- Members are organisations involved in social welfare and social development in about 70 countries
- Conveys the knowledge gained from members to global and regional institutions
- Expanding membership into eastern Europe

Questions

- To what extent are you aware of the influence of global and regional bodies in your country?
- What influence do you think external organisations are having on your governments?
- In what areas of social policy are they having an influence?
- What role can you see NGOs having in influencing directions in social policy?

13,802

Source CIA website. All figures USD Data mainly 2004

Country	Population Million	GDP \$B	Budget Y \$B	Budget X \$B	Budget Y/Pop \$
Czech Rep	10.2	172	39.3	45.8	3853
Netherlands	16.4	481	257	274	15,670
Norway	4.6	183	134	117	29,130
Poland	38.6	463	44.5	54	1,153
Slovakia	5.4	79	15.4	16.7	2,852
Spain	40.3	938	384	386	9,578
UK	60.5	1782 trill	835	897	13,802

Public goods and welfare benefits

- Public goods – rail, gas, electricity, water, sanitation and housing subject to privatisation
- Welfare benefits – services include health and education subject to privatisation
- Welfare benefits – cash transfers subject to means testing (targeting) and changes in eligibility rules

Areas of global activity

- Global public goods eg tax agreements, global alliances on vaccines and immunization
- Global social regulation eg global labour standards and in emerging international markets including private health and education
- Global social rights eg Human Rights Commission, migrants, illegal trafficking.

Obstacles to Reform

- Southern resistance to Northern reform proposals
- Suspicion or opposition to Northern neoliberalism
- National sovereignty
- Growth in strength of regional groupings of governments
- Conditionality imposed by global institutions

Classic Theory of Globalization

- Increased economic integration has severely challenged the economic and social policy strategies of national governments.
- Governments are threatened that unless they reduce social protection companies will move production to low wage, low social security countries. Michelle Beyeler in Global Social Policy 3 (2)