

Report of a Sida/UNRISD Seminar held
in Stockholm on 31st October 2006

Social Policy in a Development Context



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Department for Democracy and Social Development

Author: Bob Deacon, Professor of International Social Policy, University of Sheffield.

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The views and interpretations expressed in this report do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

Introduction

This report is a summary of the international seminar *Social Policy in a Development Context – How research can be translated into policies and action*, held at Sida in Stockholm, October 31, 2006. The seminar was organised by Sida in co-operation with UNRISD, United Nations Research Institute for Social Development with the aim to draw lessons from UNRISD research under the 'flagship' project "Social Policy in a Development Context" that was carried out 2000–2005. The project has resulted in a number of books and papers (www.unrisd.org). The seminar shall be seen in the context of advancing Sida's work with social development and social security, one of the central component elements of Sweden's Policy for Global Development.

It was further part of a three-part series organised by the Nordic countries on Social Policy in a Development Context; a works-shop organised by Sida/NAI (Nordic Africa Institute) with UNRISD October 30, 2006 at Sida, Stockholm, on *Incorporating Social policy into the Research Agenda in Africa*, and an expert meeting in Kellokoski, Finland on *Comprehensive Social Policies for Development in a Globalising World*, November 1–2, 2006, organised by the Ministry for Foreign Affairs, STAKES and Ministry of Social Affairs and Health, Finland.

For Sida



Anders Molin
Head of Health Division

Summary and Policy Lessons

Sida-Unrisd Seminar 31st October 2006

Social Policy in a Development Context: Translating Research into Practice.

1. After the formalities the seminar opened with a report by five UN-RISD researchers (Mkandawire, Razavi, Adesina, Kangas, Palme) on the policy lessons of their multi-country project. Comments were provided by Jayati Gosh and Bob Deacon. Session two addressed the Human Rights approach to Social Justice in South Africa, the new Employment guarantee scheme in India and the cash transfer scheme in Zambia. The third session reviewed the current work and thinking of the ILO's Social security section, the African Union's draft Social Policy framework, the World Bank's social policy work after Arusha, the work of the OECD Povnet, the new White Paper of UKDFID and the draft Social Policy Guidance notes of UNDESA. Remarkable synergy emerged around an emerging Social Policy Consensus.
2. Consensus emerged with respect to:
 - a) The *ideal role and function of social policy* in a development context.
 - b) The *centrality of public spending* by governments to secure equitable social development.
 - c) Some *specific affordable social protection policies including social pensions* to be encouraged to achieve the broader development goals.
 - d) The importance of *using the law to advance social rights*.
 - e) The importance of both *sound national fiscal policies and long term ODA commitments* to support these policies
 - f) The need to rethink aspects of the *architecture of Aid*, in the current context
3. Role and Function of Social Policy in a development context
 - a) Social Policy should be comprehensive and combine job creation, social sector investment for human capital formation and social development as well as social protection.

- b) Social Policy should be a social transformational project supporting social cohesion, the interdependence between citizen and the state; facilitating the empowerment and agency of the poor, and providing for social integration.
 - c) Improved social policy can be one route to the need reconstitution of the public realm weakened by structural adjustment in many developing countries
3. Centrality of Public Spending to secure equity:
- a) Universal social provision is important to tie the middle class into a socially inclusive development project.
 - b) Public sector investments create jobs that facilitate female employment and a labour market routes to citizenship.
 - c) The most effective policies to reduce poverty may not be anti-poverty policies. Better might be policies facilitating cross class political alliances for equitable development.
 - d) The commercialisation of services especially in the absence of state regulatory capacity reduces equity and disadvantages women.
4. Specific affordable social protection policies including social pensions:
- a) There is evidence that cash in the hands of poor people changes lives, reduces poverty, provides security, support employment, support increased access to education and health services, improves nutrition and an improved satisfaction levels of life.
 - b) Even in poor countries the evidence (from ILO studies and elsewhere) is that a minimum of package of social protection is affordable.
 - c) Universal social pensions help families and children
 - d) Categorical cash transfers to children (whether conditional or not) can ensure equity now not just equality of opportunity.
5. The importance of using the law to advance social rights:
- a) The mandate for social protection and decent work for all exists in the rights provisions of the UN and ILO, in the policies of development partners, in the strategies and declarations of regional bodies, and in national policies in developing countries.
 - b) It is therefore possible to use legal frameworks to contain unlawful government activity and to support the expansion and improvement of social protection implementation;
 - c) South Africa provides examples of the use of law and constitutions to ensure that 'developmental' rights are delivered in practice to very poor people. India provides an example of the same process to ensure the implementation of the rural employment guarantee programme.
 - d) The African Union sponsored "Livingstone Call for Action" is another vehicle to be used to advance policy.
6. The importance of sound fiscal policies and long term ODA commitments:
- a) Sound and sustainable national fiscal policies are a necessary foundation for social policy.

- b) Longer term planning cycles are needed from donors and from national governments to deliver social protection over the long term.
- c) The parallel development of INGO managed and project based social provision must give way to Government budget support.
- d) Development partners need to support national actions and investments to implement schemes that will include support for increased spending.

7. Rethinking aspects of the architecture of aid.

- a) The need is to move from projects to budgets; short term to long term; from bilateral to multilateral and to a greater % of budgets allocated to social protection instruments.
- b) In a globalising world the social policy concern to reconstitute fractured social bonds between social groups needs to be addressed at supranational as well as national level.
- c) Social policies to tax and regulate business to secure social rights are needed at regional and global level.
- d) Cross border cooperation in sector investments and comparative lesson learning will require increased donor focus on the supranational regional levels of governance.



UNRISD

UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

Social Policy in a Development Context

Lessons from UNRISD Research 2000-2005

How research can be translated into policies and action

A Sida Seminar - Stockholm, Sweden, 31 October 2006

Programme

Opening Session

8.30 - 9.00

Registration

9.00 – 9.15

Welcome and Introduction

- *Maria Stridsman*, Director, Department for Democracy and Social Development, SIDA
- *Ylva Sörman Nath*, Department for Democracy and Social Development, SIDA

Session 1

Research Lessons

9.15 – 11.10

Lessons from UNRISD Research on Social Policy in a Development Context

- *Thandika Mkandawire*, UNRISD

Gender and Social Policy in a Global Context – uncovering the gendered structure of “the social”

- *Shahra Razavi*, UNRISD

In Search of Inclusive Development: Social Policy in the Sub-Saharan African Context

- *Jimi Adesina*, Rhodes University, South Africa

Historical Development of the Nordic Social Policy Model

- *Olli Kangas*, Danish Institute of Social Research, Copenhagen

The Nordic Model and its Consequences for Work, Inequality and Gender

- *Joakim Palme*, Institute for Future Studies, Stockholm
 - Discussants — *Jayati Ghosh*, Jawaharlal Nehru University, India; *Bob Deacon*, University of Sheffield, UK
 - Plenary

11.10 – 11.30

COFFEE BREAK

Session 2

Current Practice

11.30 – 13.00

The Human Rights Approach to Social Justice – Social Policy in South Africa

- *Pat Naicker*, *Unathi Mgye*, *Wiseman Magasela*, Ministry of Social Development, Pretoria, SA
- *Nick de Villiers*, The Legal Resources Centre, Pretoria, SA

Employment Guarantees as Social Policy: The Indian Experiment

- *Jayati Ghosh*, Jawaharlal Nehru University, New Delhi, India

A note on the timetable for the Workshop sessions:

Each researcher will give a 15-minute presentation of their paper. Following the presentations, the session's discussant will have 10 minutes to comment. Then there will be 20 minutes for questions and general discussion.

Cash Transfer Scheme in the Kalomo District, Zambia

— *Michelo Stanfield, Ministry of Community Development and Social Services, Zambia*

- Plenary

13.00 – 14.00

LUNCH BREAK

Session 3

Future Directions

14.00 – 15.45

African Union: A Social Policy Framework for Africa

— *Kamel Esseghairi, Department of Social Affairs, Ethiopia*

ILO: Future challenges - The Affordability of Social Protection and the Decent Work Agenda

— *Krzysztof Hagemeyer, International Labour Office, Geneva*

World Bank: Arusha Statement and Beyond

— *Jens Sjorslev, The World Bank, Washington DC*

OECD/DAC/POVNET: Social Policy as a Central Element for Poverty Reduction

— *Timo Voipio, Ministry for Foreign Affairs of Finland, Helsinki*

DFID: The White Paper and New Directions for Social Protection

— *Rahul Malhotra, Department for International Development, London, UK*

- Plenary

This session includes a musical intermezzo

15.45 – 16.00

COFFEE BREAK

16.00 – 16.25

UNDESA: Social Policy Guidance Notes

— *Isabel Ortíz, UN Department of Economic and Social Affairs, NY*

- Plenary

16.25 – 17.00

Synthesis and Closing Remarks

— *Thandika Makandawire, UNRISD*

— *Timo Voipio, Finnish Ministry for Foreign Affairs*

— *Sylvia Beales, Help Age International*

— *Ylva Sörman Nath, SIDA*

A note on the timetable for the Workshop sessions:

Each researcher will give a 15-minute presentation of their paper. Following the presentations, the session's discussant will have 10 minutes to comment. Then there will be 20 minutes for questions and general discussion.

Opening Remarks; The Purpose of the Seminar

Maria Stridsman, Director, Department of Democracy and Development, Sida, opened the seminar by setting it in the context of the UN Copenhagen 1995 Summit, the MDGs, the World Bank's Arusha Statement on New Frontiers for Social Policy and Sida's own Global Development Policy. She argued that Development Policy must not fall into the trap of charity and must regard poor countries as actors with a stake in their development. At the same time the foundation of ODA must be a rights perspective. A key question confronting Africa, a major recipient of ODA, was that of rebuilding the state in many African countries to minimise nepotism and corruption.

Ilva Sorman Nath, Department of Democracy and Development, Sida, explained that the seminar had been convened to map recent thinking and developments in social policy appropriate to a development context. The goal was to help Sida formulate a position paper which would clarify choices that needed to be made about where and how to make further investments for social development. Clarity was needed on whether to support government social protection budgets, on what priority to give regional formations, on how much to commit multilaterally and through which agencies. How best should civil society be involved? Was there still a case for projects? Was leadership training an issue? In sum the concern must be to formulate and support social protection policies that lead both to development and to poverty reduction.

Session One: Research Lessons

Thandika Mkandawire, Director of UNRISD, summarised the 16 lessons that UNRISD had drawn from the research programme on social policy in a development context (UNRISD Research and Policy Brief No. 5, 2006). These were:

1. Social policy has *multiple tasks* to perform including redistribution, protection, production and reproduction.
2. Social policy is always *framed by ideology* and choices determine the weights attached to the cost and benefits of interventions.
3. The best social policies to alleviate poverty may not be anti-poverty policies.
4. Social policy is a key *instrument of economic and social development* not to be left to a later stage of development.

5. Social policy has an *instrumental value* in terms of for example human capital formation or “forced” savings.
6. *Labour market* policies are central and serve to realise social rights. Informalisation of employment policies undermines social protection.
7. *Social policy is always gendered* and affects the participation of women and men in household and non-household tasks.
8. For poor countries there is a strong case for leaning towards *universalistic policies* when addressing issue of poverty.
9. *Macro-economic policy* can and should be geared to structural change and social objectives.
10. *Global economic and governance* structures should be designed to support social policy objectives.
11. There is no simple association between *political regime* and effective social policy but social cohesion can enhance democratisation.
12. *State capacity* is central to effective social policy. Social policies require state efficiency, transparency, regulatory capacity and integrity.
13. *Fiscal policy* to secure effective social policies must be prudent, not populist, and support equity and efficiency.
14. *Social movements* and social contestation are important determinants of social policy.
15. Social policy objectives may be achieved through a *variety of instruments*. Countries should be allowed room to choose instruments.
16. Social policies need to be formulated with *synergies to economic* and political policies and institutions.

Shahra Razavi, UNRISD research co-ordinator, drew seven lessons from this research for women’s equity.

1. Women had not been well served by stratified and partial social security systems but political alliances are needed to universalise them, not erode them.
2. Labour markets participation of women, especially in public sector, has been a key route to social citizenship entitlement.
3. Commercialisation of the social security, for example in pensions, has disadvantaged women.
4. Commercialisation of the social sector has shifted burden of care to women in the informal sector.
5. Activation policies may work for or against the interests of women depending on quality and sector of jobs available. Context matters.
6. Expenditures on children such as cash transfers improve education and nutrition. Important that there is redistribution and equity now and not just equality of future opportunity through baby bonds.

In sum she argued that Women (especially low-income women) have an interest in redistributive social policies, in policies that facilitate their labour market entry, and in the provision of accessible and reliable social services

Jimi Adesini, Rhodes University, South Africa reported on the lessons of the African part of the UNRISD Research Programme. The period of the past twenty years under the hegemony of the neo-liberal agenda had lead to a “crisis of citizenship and statehood” in most African countries. The retreat of the state from social delivery had undermined the rel-

evance and legitimacy of the state. In conclusion he highlighted six imperatives of rethinking social policy in Sub-Saharan Africa. There is a need to:

1. Return to the progressive nationalist conception of social policy and challenge the current global trade regime.
2. Rethink social policy in terms of its nation-building function.
3. Move away from targeting and means testing in social policy
4. Reconstitute the state in terms of its policy making capacity (and end the creeping policy atrophy attributable to the band of technical-aid experts whose wage bill could be anything between 2 and 3 times the host country's civil service, teachers and health workers combined wages bill)
5. Ensure social policy is sensitive to the gendered nature of the labour market.
6. Provide visionary leadership combined with sound policy designed to cement social contract based on collective social justice.

Oli Kangas, Danish Institute of Social Research, reviewed the development of Nordic Welfare States terms of the lessons they might hold for other countries. In brief equitable social policies had been fashioned by strong states seeking to cement strong social bonds between different social classes: agrarian, workers and capital. In this context social policy instruments had been used to build capital

- investment capital
- human capital
- social capital

In terms of investment capital the Finnish pension fund was instrumental in industrial investment. In terms of human capital investment in education ensured high quality production. In terms of social capital cohesive social policies built trust with spill over effects to the wider society.

Joakim Palme, Institute of Future Studies, Sweden, also reported upon the study of Nordic countries undertaken within the UNRISD programme and argued that in a developmental perspective there are at least three important things to be learnt from the Nordic model.

1. Firstly, while democratisation can bring pressures for expanded social policy, social policy can also contribute to democratisation. In this respect the Nordic countries with their universal and encompassing social policies may serve as good examples. Historically the link between social policy and democratisation has been very close in Scandinavia.
2. Secondly, the clearest achievement of the Scandinavian welfare state has been in poverty reduction programmes, and, also here, there are lessons to be learnt from this performance. In this context policies of redistribution that ensured also the inclusion of the middle class in service provision was important.

3. The third aspect relates to the role ascribed to the state. As some neo-liberal thinkers suggest, the state should retreat from social provision and leave a more active role to non-governmental organisations (NGO), only in that way the countries can safeguard economic growth. However, the Scandinavian countries display a high level of prosperity and rapid economic growth despite their high social spending and demonstrate that is possible to unify social protection with competitive and growth oriented economies.

Jayati Gosh, Jawaharlal Nehru University, India commented on the papers so far and among other things remarked upon the importance of fiscal policy for effective social policy and on the centrality of job creation too. She stressed the importance to of the politics of social policy in terms of the issue of whether the dominant political ideology of the country tolerated or not inequality. In India the problem facing social policy campaigners was precisely the country's tolerance of social inequity.

Bob Deacon, University of Sheffield, U.K., commented on the presentations and commended the UNRISD programme in terms of the policy lessons drawn. He added, however, that a possible weakness of the focus of the research was its focus on the national and the downplaying of the importance of the trans-national in terms both of the social problems that social policy needed to address and in terms of the supra-national policies needed at regional and global level to address them. One key factor here was the detachment of national middle classes from nation-state building and their inclination to access global private services that required global regulation including regulation to ensure access by the poor.

In discussion the point was made that it might not be so much the state that needs to be renewed in Africa rather the political parties and process. There has been a political demobilisation since the days of liberation. Concern was expressed about how hard it will be to reverse the structural adjustment years of decline. Sergei Zelenev expressed the importance of economist and social development specialists using the same language and talking to each other. The Ministries of Finance were central here. Jokim Palme suggested that the need was for a strong society rather than a strong state. Mkandawire played down the importance of the global by arguing states determine the global and they could shrug the global (IMF loans) off.

Session Two: Current Practice.

The Human Rights Approach to Social Justice.

Pat Naicker, *Unathi Mguye* and *Wiseman Magasela*, Ministry of Social Development in South Africa and *Nick de Villiers*, Centre for Social Protection in Pretoria, South Africa addressed the Human Rights Approach to Social Justice within South African Social Policy.

First *Wiseman Magasela* argued that social policy in South Africa is a rights based policy derived from the Constitution and other rights based policy documents. The preamble to the Constitution asserts that the purpose is to "heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights" and "improve the quality of life of all citizens and free the potential of each person". Specifically in terms of social policy;

- On housing (section 26), ‘everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right’.
- On health care, food, water and social security (Section 27) ‘everyone has the right to have access to health care services, including reproductive health care, sufficient food and water, and social security, including, if they are unable to support themselves and their dependants, appropriate social assistance’

Supporting this approach is the Constitutional Court whose judges have emphasised this approach, the Constitution of the ANC, and the South African Human Rights Commission. Each year, the South African Human Rights Commission must require relevant organs of state to provide the Commission with information on the measures that they have taken towards the realisation of the rights in the Bill of Rights concerning housing, health care, food, water, social security, education and the environment. Government social policy is derived from this framework. For example *A New Housing Policy and Strategy for South Africa* (1994) taking the ‘sovereignty of the Constitution’ as one of the ‘basic points of departure’ saw housing as a ‘basic human right’ with government ‘under a duty to take steps and create conditions which will lead to an effective right to housing for all’.

Pat Naicker and Unathi Mguye then elaborated this point in relation to social protection policy in South Africa. The Bill of Rights in the Constitution mandates the provision of certain primary services to respond to the basic needs of people namely nutrition, education, health and social security including social assistance. Social old age pension – covers 70% of the older population. The annual budget for social pensions is 1.1% of GDP and 4% of national expenditure. Children benefits (3 types) - covers 40% of all children and 60% of the targeted group of children, namely poor children from 0–14 years. The annual expenditure is approximately 1.3% of GDP and 5% of national expenditure. Studies show that for every R500 old pension received in a household there were a 3% higher likelihood of school attendance by boys and 6% more likelihood of girls being enrolled in school. Children living in pensioner household are on average 3.1% more likely to attend school than their peers in poor non pensioner households. The discourse in social policy of dependence on welfare is not appropriate for developing communities because the poor do not have the same opportunities for independence as in developed countries.

Nick de Villiers then explained how his Centre uses the constitutional basis of a South African’s entitlement to social protection and to social service to challenge the government’s failure to deliver on these rights. He argued that such an approach enabled rights to be enforced, enabled unlawful government to be contained and provided opportunities to develop policy in line with stated rights. The law can be an effective weapon in determining and overcoming gaps in social provision. One case reported was that concerning the devolution of social benefits to the 9 provinces. Different provinces set different discretionary standards. The Constitutional Court however agreed that this undermined national law in line with the constitution and called for a national benefits agency to be set up. Such an outcome would not have been possible using the political system.

Employment Guarantees as Social Policy

Jayati Ghosh, Jawaharlal Nehru University, India reported on the recent development within India of the National Rural Employment Guarantee Act which came into force in 2005 and guarantees 100 days employment per year per rural household. It has been implemented in selected states in 2006 with a national roll out within 5 years. This legislation will enable local authorities to plan to use this labour to create rural assets, establish water management, provide public services such as public health measures, sewerage, school meals etc. In economic terms it avoids debt, discourages migration, smooths consumption and has a beneficial multiplier effect on the local economy. However there is widespread ignorance on the part of officials of these rights and inadequate administrative capacity. None-the-less of the 8.5 million so far eligible 6 million have been provided with work and of these between 40 and 80% are women in different localities. The law has the potential to transform government–citizen relationships as more workers claim their rights under it.

Cash Transfer Scheme in Kalomo District, Zambia.

Michelo Stanfield, Ministry of Community Development and Social Services, Zambia described the new cash transfer scheme in Zambia. The intervention is specifically targeted at incapacitated & HIV/AIDS affected households and enables households to invest in the future generation. It is carried out by the different levels of the Public Welfare Assistance Scheme and targets the 10% most destitute and incapacitated HH through community based targeting. It involves a payment of 40,000 ZMK (10 \$) per HH, a child bonus of 10,000 ZMK (2.5 \$). Money is distributed bimonthly through pay points, which are either schools or health centers in Kalomo, Kazungula & Chipata Districts. About 71% of recipients have stated they have made an investment from the cash transfer, mainly in livestock and agricultural activities. All of the children interviewed in a survey including their siblings had benefited from the scheme – intra-household distribution seems to work. Almost all of them had received clothes and shoes and parents had paid school fees. Payment days are used for further information events also by other government departments on health, nutrition, minimum standards of care etc. School attendance has risen. Cash Transfer are now part of 5th National Dev Plan. DfID is to start funding and Norway considering seriously funding recommendation.

Within this context the Livingstone Conference of many African governments held in March 2006 was noted which called for:

- Greater cooperation between African and other countries in the sharing and exchange of information.
- Social transfer programmes to be a more utilised policy option in Africa
- National and international commitment to social protection.
- African governments to put together costed national social transfer plans integrated within National Development Plans and within National Budgets that development partners can supplement.
- Increased investment in capacities to deliver such transfers.
- Reliable long term funding for social protection (Govts and partners.)
- Bi-annual conference under the auspices of the African Union to review progress.

In discussion concern was expressed that the Indian scheme did not extend to urban workers. The case for a universal social pension was argued for by Sylvia Beales of Help Age International. The role of social workers in the context of cash transfers was raised and it was noted that the law creates a minimal social condition for social workers and citizens to mobilise around. Zambia is intending to legislate for a bill of rights which would enable this process to be furthered there.

Session Three: Future Directions.

African Union: A Social Policy Framework for Africa.

Kamel Esseghairi, Department of Social Affairs, Ethiopia outlined recent progress towards articulating and agreeing a Regional Social Policy Framework for Africa. He argued that such a framework must be based upon several pillars: Social protection, basic infrastructure, education and vocational training, health policy, gender and population development, community participation, agrarian reform and labour market policy.

However the adoption by the Africa Union of such an African Regional Social Policy had not yet been achieved despite three attempts. If it were to be then Regional and Sub-Regional programmes will be developed by multi-disciplinary teams with support from partners.

(Note: The Ministers of Social Development of SADC meeting in Johannesburg 24th November 2006 issued a Declaration in Support of an African Regional Social Policy. The text of this Draft “Towards an African Regional Social Policy” is reproduced in full in Wiman R, Voipio T and Ylonen (eds) *Comprehensive Social Policies for Development in a Globalizing World*, Ministry for Foreign Affairs of Finland. (www.stakes.fi/social-policies-for-development). Similar developments under the auspices of the UNESCO MOST Programme are taking place in ECOWAS and other African Sub-regions.)

Also tabled within this context was the report of the meeting in September 2005 between the AU and Regional Economic Commissions within Africa which agreed a road-map towards regional workshops on Integrated Employment Policies and Programmes in Africa to be held September–December 2006.

ILO: The Affordability of Social Protection and the Decent Work Agenda

Krzysztof Hagemeyer, ILO, Geneva reported on the vision the ILO’s Social Security Department now had for developing affordable social protection policies and practices in all countries. Whereas the ILO until recently focused its efforts on the Campaign for Social Security for All expanding the traditional tripartite social security system to informal workers its new approach may be called “Towards Progressive Universalism”. At the same time a renewed focus on decent work for all is a main plank of its vision. Building progressively higher levels of protection involves building on a basic layer of protection consisting of:

- Basic health care for all within a pluralistic system
- Child benefits to foster school attendance
- Universal benefits in old age, disability and loss of breadwinner
- Pro-active social assistance

The principal objectives of the social security development approach are:

- the fastest possible achievement of universal access to basic benefits to combat poverty;
- the reduction of income insecurity to the extent possible;
- the provision of benefits as of right;
- ensuring the absence of discrimination on the basis of nationality, ethnicity or gender; and
- ensuring fiscal affordability, efficiency and sustainability.

Among the conclusions for developing countries of recent policy analysis and research undertaken by the ILO are;

- There is ample evidence that the investment in health care, education and properly designed cash transfers have positive economic and social effects in countries at any stage of development
- The choice of policy instruments to meet social needs and priorities is also well known (various cash transfers as well as mechanism assuring affordable access to health care and education)
- Various simulations show the impact these instruments would have on reducing poverty and vulnerability
- Various estimates and projections show that these policies can be made affordable

World Bank: Arusha Statement and Beyond:

Jens Sjørslev, The World Bank, Washington reported on developments taking place to follow up on the Arusha Conference on New Frontiers in Social Policy. The new frontiers of social policy highlighted by the Arusha Conference were recapitulated as:

1. Ensuring Citizenship- implying universal application of the rule of law.
2. Fostering States that are: Enabling; Accessible; Responsive; Accountable
3. Strengthen domestic resource mobilization

Citizenship is about *rights and responsibilities* and entails:

- Recognition of legal status (Full legal status as a citizen is often not available to e.g., immigrants, refugees, illegal residents, convicted felons, women or other disenfranchised groups)
- Economic and Social Rights and responsibilities
- Having decent work and ability to raise a family
- The right to own property
- Political rights-voice; voting and participation in politics
- Being a full member of society; Participation in civic activities; Giving something back to society

Fostering an Enabling, Responsive and Accountable State is about *equity and social cohesion* and involves;

- The universal application of rule of law, and equal rights under the law.
- Having institutions for policy formulation and implementation that are legitimate, effective, and accountable
- Multiculturalism being recognized and celebrated as a source of societal strength.

- Having policies that accommodate diversity in the achievement of universal rights
- The recognition of the role of power relations and creating institutional mechanisms that offer redress against power inequities

Strengthening domestic resource mobilization is about *sustainability and accountability* and involves:

- the capacity of states to mobilize revenue from their citizens
- a stronger enabling environment and more resources for accelerated development
- the international community playing its part to enable these processes.

Therefore World Bank work on social policy should extend to new areas including:

1. Mainstreaming Social Inclusion
2. Good Governance and Accountability
3. Social Cohesion and Risk Management

While work on social inclusion, social cohesion and on risk management is more familiar work on good governance involves new initiatives.

Included is an initiative on Legal Empowerment of the Poor (LEP), a joint effort with UNDP and the World Bank. The LEP work at the Bank cuts across several departments – Legal, Public Sector, Agriculture, Urban, Social Development and the Private Sector Group. The Bank is also collaborating with the High Level Commission on Legal Empowerment of the Poor, which is housed in UNDP and is undertaken a two year exercise to map out what can be done under LEP. At the same time the WB Strategy on Governance and Anti-Corruption (approved in September 2006), will focus on themes of great relevance to social policy:

1. State effectiveness and institutional capacity to deliver public services
2. Local governance through decentralization to bring services closer to end users
3. Strengthening the demand side of governance through enhanced transparency, voice and accountability

OECD/DAC/POVNET: Social Policy as a Central Element of Poverty Reduction.

Timo Voipio, Ministry of Foreign Affairs, Finland reported on the lessons of earlier work of the POVNET and the plans for the work of the new OECD/DAC/POVNET Task Team on Social Protection and Development.

The lessons from POVNET phase 1 regarding the issue of pro-poor growth were:

- 1) Managing vulnerability to poverty is essential for pro-poor growth, especially in societies where the majority of people are poor.
- 2) Participation of millions of poor people in the growth process as active agents is good for the poor and good for the national economy.
- 3) Lack of reliable risk management mechanisms is a major barrier to contributions by the poor to the growth process.

- 4) In order to reduce their vulnerability to unmanageable risks poor households often engage in low productivity and low profitability economic activities, only because they are also less risky than high productivity/profitability alternatives.
- 5) A reduction in risks faced by poor people can help to stimulate growth by encouraging people to engage in higher risk/higher profit activities.
- 6) Risk reduction and management also means that people do not have to fall back on coping strategies that can have irreversible impoverishing impacts and lead to permanent and debilitating levels of poverty.
- 7) Therefore a new view of social protection programmes is needed whereby they are not seen as *consumption expenditure (luxury)*, but as *investment-type expenditure with potentially high rates of return and strong poverty impact*.

Plans for the 2006–2008 work programme covering social protection and decent work included:

- Conceptual clarification: only editing needed
- Instruments clarification: synthesizing research
- A Glossy OECD-publication?
- A Web-based user-friendly tool?
- Consultations with Global South?
- Information dissemination events by OECD

DFID: The White Paper and New Directions for Social Protection

Rahul Malhotra, UKDFID explained the new UK government's White Paper Making Governance *Work for the Poor* and explicated the implications for social protection policy.

The White Paper contained two key messages concerning social protection:

- Social protection is a human right
- Social protection is an essential public service alongside health, education and water and sanitation

Moreover social protection can promote growth by

- Reducing distress selling and allows the building of productive assets; people can plan better
- Allowing people to take up higher return but also more risky economic activities
- Creating a healthier workforce; children grow up to be more productive workers
- Increasing the number of people contributing to the economy
- Stimulating local markets
- Being an essential complement to a market economy

In this context the White Paper commits the UK government to:

- Significantly increase spending in at least 10 countries in Africa and Asia, supporting national programmes and working with the UN and NGOs in fragile states
- Working with European partners and national governments in Africa, double to 16m the number of people moved from emergency relief to long-term social protection programmes by 2009

- Support partnerships between developing countries to share experience of expanding social protection

Discussion was curtailed but covered issues of how to ensure the poor become more productive, whether countries had the capacity to deliver on the new social protection vision and on the impact of the casualisation of labour on the capacity of governments to raise labour taxes.

UNDESA: Social Policy Guidance Notes.

Isabel Ortiz, UN Department of Economic and Social Affairs reported on the work towards drafting an agreed set of Social Policy Guidance notes, one of several notes to advise governments on how best to secure the meeting of the MDG and other development goals.

She first addressed the issue of inequity and concomitantly the need for redistribution.

- Redistribution topics were out of the development agenda in the 1980s–90s
- However, redistribution is a legitimate goal of public policy, to balance the tendency of the market to concentrate resources.
- Redistribution has much faster impacts on reducing poverty than growth, but economic growth is necessary to sustain the process over time.
- Redistribution is not antagonistic to growth; it stimulates consumption (expands domestic market), raises productivity, secures political stability and thus is important to sustain growth itself.
- Redistribution may be achieved through
 - domestic taxation
 - increased development aid
 - new proposed international sources such as taxes on short-term speculative financial transactions, on arms trade, pollution and others.

A contrast was drawn between the economic advice of the 1980s and 1990s and the new emerging consensus:

1980s–90s Standard Policy Advise:	Main Assumptions of UN Policy Notes:
• Growth (priority) through deregulation, free markets, supply side economics, minimalist governments, residual social policies.	• Winning “policy space”. Growth and equity through active promotion of national development. Social and economic development integrated means bringing social issues to all policy domains.
• Anti-inflationary measures as core monetary policy	• Employment-generating growth as a priority, some authors tolerant to limited inflation
• Fiscal policies: Minimal direct taxation	• Taxation for development and redistributive purposes
• Financial liberalization, open capital accounts	• Selective capital controls to avoid financial volatility, making finance work for real economy growth
• Cuts in public expenditures, avoiding fiscal deficits	• Public investment for development; need to expand governments’ “fiscal space”

• Privatization of public assets services, minimalist government (state as predatory, crowding out private sector)	• Building state capacity to promote development, public investment, technology policy
• Free trade	• Free trade not priority, growth of domestic activities prior to (selective) trade liberalization

In relation to social policy and social protection this means:

1980s–90s Standard Policy Advise:	Main Assumptions of Policy Notes:
• Residual social policies (minimal, targeted to the poor), safety nets	• Universal policies (for all). Importance of social policies for development, equity, domestic market, nation building, political stability
• Commercialization of social services	• Expansion of coverage of services (health) ensuring retention (education)
• Cost recovery mechanisms (fees for services)	• No user fees, except for upper income groups in tertiary services
• Labor flexibility, productivity	• Decent work agenda, distribution issues (ie. wages); employment a result of adequate macro, economic and social policies
• Social Protection: pension reform	• Importance of expanding pension coverage (social pensions) and addressing community needs
• No interest for culture and values (intangible)	• Culture and values important for tackling exclusion and building social cohesion
• No attention at sources of conflict (“political”)	• Conflict prevention
• Selective participatory processes	• National coalitions and social pacts

The residual approach of the 1980s–90s included the following elements:

- Main reforms focused on privatizing/commercializing services for middle and upper classes (health, pensions, education)
- Public services only for the poor
- In a context of fiscal austerity, cost recovery mechanisms such as fees for services were introduced

However targeting is expensive, at about 15% total programme costs; it is complex to implement and many countries could not do it. Also

- It backfired politically, middle classes had to pay for both expensive services and for the poor
- It increased poverty: the poor could not afford even basic fees
- Public services became of bad quality

The United Nations agencies defend UNIVERSAL services (including the middle classes, as part of a country’s social contract) combined with targeting to fast-track access of the poor. The first priority of all social policies is expanding coverage. This may be done progressively, depending on a country’s fiscal space. There should be no fees (or nominal) for basic services, but progressive fees for specialized services (ie. Universities, tertiary health care).

However as important and the first priority for any development strategy is the creation of employment and the development of both active and passive labour market policies. Active policies should include:

- Direct employment generation (promoting SMEs, cooperatives, wage subsidies, public works, guaranteed job schemes).
- Labour exchanges or employment services (job brokerage, counselling offices)
- Skills development programmes (training and retraining of labour to enhance employability and productivity).
- Special programmes for youth and persons with disabilities.

Passive Labour market policies should include

- Unemployment insurance, income support policies.
- Labour regulations and standards such as adequate wage policies (minimum salaries, wage indexation, equal pay for work of equal value), job security provisions (recruitment/dismissal of employees), working conditions (occupational health and safety minimum age, maximum working hours and overtime, leave provisions), special protection for mothers, and antidiscrimination provisions to protect women and minorities.

In addition to equitable national social protection policies and employment creation there is a strong case for the development of trans national social policies at regional and global level. Cross-border problems such as health pandemics or illegal migration and many social issues are beyond national boundaries and governments may want to consider coordinating global and regional social policies such as:

- Health (e.g. transmittable diseases such as SARS, avian flu)
- Labour (e.g. migration agreements)
- Disaster management and early warning systems.
- Risk pooling mechanisms such as international crop and cattle insurance (social protection for rural areas)
- Social empowerment mechanisms such as social charters, and human rights councils.
- Cooperation to promote local investment and allow more progressive tax systems (e.g., coordinated measures to control capital flight, tax havens and tax competition).
- Regional research and development policies on new local technologies which meet social and environmental needs.

Beyond specific topics, there is an urgent need for a framework of global governance to construct a safer and fairer world, an international consensus to make globalization work for all a global social contract.

Closing remarks were made by Thandika Mkandawire, Timo Voipio, Ylva Sörman Nath and Sylvia Beales. These concluding remarks and the lessons learned have been incorporated into the summary and lessons learned section at the start of this report.

Speakers

Jimi O. Adesina

Professor

Department of Sociology, Rhodes University

Grahamstown 6140, South Africa

Tel: +27 (0) 46 603 8172 (W)

j.adesina@ru.ac.za

Thandika Mkandawire

Director

United Nations Research Institute for Social Development (UNRISD)

Palais des Nations 1211 Geneva 10 Switzerland

Tel: + 41 (0)22 917 3060

mkandawire@unrisd.org

Shahra Razavi

Research Coordinator

Gender and Social Policy in a global context

United Nations Research Institute for Social Development (UNRISD)

Palais des Nations 1211 Geneva 10 Switzerland

Tel. +41 22 917 2885

razavi@unrisd.org

Olli Kangas

Professor

Danish Institute of Social Research, Copenhagen

Herluf Trolles Gade 11

DK- 1052 København K

Tel: +45 33 69 77 25

olk@sfi.dk

Krzysztof Hagemejer

Economist

International Labour Office, Geneva

4 route des Morillons 1211 Geneva 22, Switzerland

Tel: +41 22 799 66 27

hagemejer@ilo.org

Jayati Ghosh

Professor

Jawaharlal Nehru University
1314 Poorvanchal, New Delhi 110 067, India
Tel: +91 11 2618564
jayatig@vsnl.com

Bob Deacon

Professor

University of Sheffield
Western Bank Sheffield S10 2TN, UK
Tel: +44 114 222 6407
b.deacon@sheffield.ac.uk

Pat Naicker

Director

Ministry of Social Development, Pretoria, SA
Department of Social Development Private Bag X901 Pretoria,
0001 South Africa
Tel: + 27-12 312 7775
ptn@socdev.gov.za

Unathi Mguye

Deputy Director

Ministry of Social Development, Pretoria, SA
Department of Social Development, Private Bag X901 Pretoria,
0001 South Africa
Tel: + 27 12 312 7775
unatim@socdev.gov.za

Wiseman Magasela

Deputy Director-General for Social Policy

Ministry of Social Development, Pretoria, SA
Department of Social Development Private Bag X901 Pretoria,
0001 South Africa
Tel: + 27 12 312 7775
wiseman.magasela@socdev.gov.za

Nick de Villiers

Director

Centre for Social Protection Law, Pretoria, SA
P O Box 7614, Pretoria, 0001
Tel: + 27 12 323 7673
nickdevilliers@hotmail.com

Kamel Esseghairi

Director

Social Affairs Commission of the African Union
Tel +251 91 120 16 45
kesseghairi@yahoo.com

Jens Sjørslev

The World Bank

1818 H Street, NW Washington, DC 20433 USA
Tel: +1 (202) 473 2263
jsjorslev@worldbank.org

Rahul Malhotra

Social Development Adviser
Equity and Rights Team, Policy Division Department for International
Development, DFID
1 Palace Street, London, UK
Tel: + 44 20 7023 1634
r-malhotra@dfid.gov.uk

Isabel Ortiz

Senior Interregional Advisor
Department for Economic and Social Affairs, DESA
1462 UNITED NATIONS New York NY 10017 USA
Tel: + 1 (917) 367 93 77
ortizi@un.org

Timo Voipio

Senior Social Policy Adviser
Ministry for Foreign Affairs of Finland
Merikasarmi, PO Box 176, 00161 Helsinki, Finland
tel: +358 9 160 05 or 578 15
Timo.Voipio@formin.fi

Michelo Stanfield

Chief, Social Welfare Officer
Ministry of Community Development and Social Services
Fidelity House, PO Box 31958, Lusaka, Zambia
Tel: +22 7 840 228 321
stanmichelo@yahoo.com

Joakim Palme

Professor
Institute for Futures Studies
Box 591, 101 31 Stockholm
Tel: +46 8 402 12 00
joakim.palme@framtidsstudier.se

Sylvia Beales

Policy Development Manager
Help Age International
PO Box 32832
London, N1 9ZN, UK
Tel: + 44 20 7278 7778
sbeales@helpage.org

Ylva Sörman Nath

Adviser Social Policy
Sida, Deso/Health
S-105 25 Stockholm, Sweden
Tel: +46 8 698 5243
ylva.sorman.nath@sida.se

Maria Stridsman

Director
Department for Democracy and Social Development, Sida
S-105 25 Stockholm, Sweden
Tel: +46 8 698 5040
maria.stridsman@sida.se

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



SWEDISH INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY

SE-105 25 Stockholm Sweden
Phone: +46 (0)8 698 50 00
Fax: +46 (0)8 20 88 64
sida@sida.se, www.sida.se