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Postprint / Postprint
Zeitschriftenartikel / journal article

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From 'Safety Nets' Back to 'Universal Social Provision'

Is the Global Tide Turning?

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ABSTRACT This short article draws upon a number of recent reports from several international organizations to argue the case that, at least at the level of discourse, the tide has turned from the period in the 1990s when a targeted and means tested safety net future for welfare policy especially in the context of development was being constructed. Now even within the World Bank there is some evidence that the case for a universal approach to social welfare provision is again being recognized. This shift suggests that one locus of the struggle for the future of national and international social policy continues to be the international epistemic community of social policy analysts working for and advising international agencies.

KEYWORDS *global social policy, international organizations, safety nets, universalism*

Preamble

Ideas articulated by epistemic communities within and around international organizations about what constitutes desirable national and international social policy are every bit as important in influencing national and international social policy as the perceived constraints of a deregulated global economy. Globalization and social policies appropriate to it at the national and international level are not so much determined economically but shaped politically. States make globalization every bit as much as globalization makes states (Yeates, 2001). Boas and McNeill (2004) have recently discussed the relationship between institutional power and the power of ideas in social development and argue that 'powerful states (notably the USA), powerful organizations (such as the IMF) and even, perhaps, powerful disciplines

(economics) exercise their power by "framing"; [the terms of the policy debate] which serves to limit the power of potentially radical ideas to achieve change' (Boas and McNeill, 2004: 1. Within a matrix of state and global institutional power ideas have a part to play in both sustaining those relations of power and in challenging them even if radical or socially progressive ideas have had a hard time of it in the last decades.

In terms of theoretical reference points for this short article we need then to include the work of Haas (1992) on epistemic communities. Focusing on national states he concluded that 'epistemic communities [networks of knowledge based experts] play a part in . . . helping states identify their interests, forming the issues for debate, proposing specific policies, identifying points for negotiation' (Haas, 1992). The same can be said about international epistemic communities, their associated think tanks and invisible colleges and the shaping of an international social policy agenda (Stone, 2004). That is not to say that trans-national social classes and the associated international class struggle that is identified within this framework by Sklair (2001) and others play no part in policy formation. If national welfare state formation was in part the outcome of class and gender and ethnic struggle (Williams, 1987, 1995) and the resultant formation of cross-class (and gender and ethnic) alliances so will be any trans-national social policy. Epistemic communities operate within this power contest matrix. The case study in this article illustrates the contest of ideas within the epistemic communities of economic and social policy scholars operating at a global level. It is based upon an extract from a longer article dealing with the politics of global social policy reform (Deacon, 2004). This article leads to the conclusion that the story told by Boas and McNeill needs to be revised. Their argument that the USA through the agency of multilateral financial institutions (MFIs) and with the language of economics shapes the inter-national social policy debate needs to be revised and written in a more nuanced way to reflect the contending influence of other states using other agencies and other discourses.

The Fall and Rise of the Concept of Universalism in Global Discourse about National Social Policy

Both Peter Townsend (2004) and Judith Tendler (2004) have drawn attention recently to the domination of the concept of safety nets within global social policy discourse concerning desirable national social policies at the end of the last century. Townsend charts the post-Second World War rise of the Keynesian influence on social development policy and its subsequent demise and replacement by an era of the residualization of social policy. He goes on to argue the case for a reconsideration of a universal approach to social welfare development and for reforms in the global governance architecture that

might bring this about. Judith Tendler asks why social policy has been condemned to a residual category of safety nets and suggests this had to do among other reasons with the projectization of international aid and the large role played by non-governmental organizations (NGOs) in this activity. She suggests how the tide might be turned. These observations reinforce earlier concerns of my colleagues and I (Deacon et al., 1997) when we researched the impact of international organizations on the making of post-communist social policy. Indeed only recently I restated the case that globalization represented a threat to equitable social welfare provision in the context of development (Deacon, 2003). In this section I want to comment briefly upon why the idea of social policy geared to securing greater equity through processes of redistribution and in particular universal social provision got so lost in the context of the global discourse about desirable social policy. I will then examine and demonstrate its reassertion within global discourse.

Four reasons might be offered for the decline of the idea. Globalization as we have suggested in terms of the form it took in the 1980s and 1990s was primarily a neoliberal political project born at the height of the transatlantic Thatcher–Regan alliance. This flavoured the anti-public provision discourse about social policy within countries and contributed to a challenge to the idea of the EU's social policy agenda. The collapse of the communist project coinciding as it did with the height of neoliberalism gave a further push to the rise of the myth of the marketplace. Most importantly the perceived negative social consequences of globalization generated a new concern for the poor. In the name of meeting the needs of the poorest of the poor the 'premature' or 'partial' welfare states of Latin America, South Asia and Africa (that the International Labour Organisation [ILO] had been so influential in building) were challenged as serving only the interests of a small privileged workforce and elite state employees. A new alliance was to be struck between the Bank and the poor (see Deacon et al., 1997; Graham, 1994). The analysis of the privileged and exclusionary nature of these provisions made by the Bank was accurate. However by destroying the public state services for this middle class in the name of the poor the politics of solidarity which requires the middle class to have a self-interest in public provision which they fund was made more difficult. The beneficiary index measures of the Bank showing how tertiary education spending and urban hospital provision benefited the elite contributed in no small measure to this development. *The Bank's technical experts who were very able to measure who received public services were ill-informed about the political economy of welfare state building which requires cross-class alliances in defence of public expenditure*. Once again American exceptionalism (in this case in terms of its residual welfare state) was sold as the desirable norm. Finally in the late 1980s and 1990s the self-confidence of defenders of the social democratic and other equitable approaches to social policy was temporarily lost. The critics of neoliberal globalization came to believe their worst-case prognosis.

Are there signs of a shift in the global discourse leading to a reassertion of the politics of social solidarity and universalism? I am not here concerned with the debate within developed welfare states. Here the evidence is clear that universalistic welfare states have been largely sustained despite globalization (e.g. Castles, 2004; Swank, 2002). There are a number of developments reflected in recent reports and publications from international organizations that suggest that the case is again being put for finding ways of implementing universal public provisioning as part of an equitable social policy in developing countries. Among them are:

1. The United Nations Research Institute for Social Development (UNRISD) research programme on Social Policy in a Development Context under the leadership of Thandika Mkandawire has the stated objective to 'move [thinking] away from social policy as a safety net . . . towards a conception of active social policy as a powerful instrument for development working in tandem with economic policy'. Research within this programme that draws attention to the early origins of universalistic Nordic welfare states should refute the argument that universalism is not incompatible with a lower level of economic development (Mkandawire, 2004).

2. The rethinking presently being undertaken within the ILO concerning the sustainability of its traditional labourist approach to social protection. In particular is to be noted the ILO Socio-Economic Security Programme is researching new forms of universalistic social protection such as categorical (by age) cash benefits or universal school attendance allowances or even basic income entitlements to complement the very limited coverage in the Global South of work based social security schemes. Good practices being revealed within this programme could inform developing country social policy making (ILO, 2004).

3. The report of the UN Secretary-General (E/CN.5/2001/2) on 'Enhancing Social Protection and Reducing Vulnerability in a Globalizing World' prepared for the February 2001 Commission for Social Development almost became an important milestone in articulating a progressive UN social policy. Among the positive features of the report were (a) the fact that it was the first comprehensive UN statement on social protection, (b) the thrust of its argument was that social protection measures serve both an equity-enhancing and an investment function and such measures need to be a high priority of governments and regions, (c) it argued that social protection 'should not [serve only] as a residual function of assuring the welfare of the poorest but as a foundation . . . for promoting social justice and social cohesion'. It has to be said however that discussion on even this paper became bogged down at the Commission and was never approved. It remains a non-paper. While the EU were supportive the G77 wished to link it to issues of global financing and global governance arrangements (Langmore, 2001). The north–south impasse on global social standards

stemming from the labour standards and global social policy principles stand-offs bedevilled the Commission's work.

4. The more recent meeting of the Commission on Social Development (47th Session on 4–13 February 2004) seems to have managed to avoid this pitfall in terms of its discussion of the issue of Improving Public Sector Effectiveness. However, the Report of the Secretary General on this topic (E/CN.5/2004/5) did contain among its recommendations the sentiment that international cooperation should 'include the elaboration of norms and guidelines . . . on the respective roles and responsibilities of the public and private sector' (para. 59a) but such an idea did not find expression in the (advanced unedited version) of the agreed conclusions now published on the United Nations Department of Economic and Social Affairs (UNDESA) web-pages. These agreed conclusions rather stress 'that each government has primary responsibility for its own economic and social development, and the role of national policies and development strategies cannot be overemphasised' (para. 7). On the more central question of the issue of universalism versus targeting and the balance of public and private provision the agreed conclusions are very much in favour of universalism and equity. '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). A review of this report is to be found in Scholvinck (2004).

5. Perhaps it is within attempts to steer developing countries towards the meeting of the Millennium Development Goals that are after all focused on *basic* education and *basic* health and *basic* sanitation and water services that we should look to see if these would lead to targeted residualism rather than universalism. Certainly the United Nations Development Programme (UNDP) Human Development report (UNDP, 2003) which focuses on these goals balances 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: 87). Recognizing 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: 94). Within health policy the balancing of the concern with equity with a pro poor focus is handled by arguing for rationing and regulatory measures that ensure some health service workers are directed to work for the benefit of the poor. Thus for example countries could 'use service contracts to require medical personnel to spend a certain number of years in public service' (UNDP, 2003: 101). The report notes that in some regions for example Latin America there has been a massive push to private health provision because of pressures to liberalize combined with low public sector health budgets. Here it is concerned that 'Because managed care organizations attract healthier patients, sicker patients are being shifted to the public sector. This two-tier system undercuts the pooling of risks and under-mines cross-subsidies between healthier and more vulnerable groups' (UNDP, 2003: 113). It will be important to track this issue of reaching the poor while maintaining equity through the work of the Millennium Project through which the UN hopes to meet the Development Goals.

6. 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. A Nordic evaluation of the 2000/2001 World Bank Development Report on Poverty concluded that (Braathen, 2000) although the Bank at least at the discursive level had shifted from its 1990 focus of social paternalism to a 2000 focus on social liberalism and even social corporatism within which the poor are to be given a voice, it still did not embrace in any significant way the social radicalism approach which would involve redistributive policies except perhaps in the sphere of land reform. The latest World Bank's (2004) World Development Report that is focused 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. World Bank, 2003: 4, Figure 2) 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' (World Bank, 2003: 180, Figure 10.1). Most striking is the assertion that 'In most instances making services work for poor people means making services work for everybody – while ensuring poor people have access to those services. Required is a coalition that includes poor people and significant elements of the non-

poor. There is unlikely to be progress without substantial "middle class buy-in" to proposed reforms' (World Bank, 2003: 60). This section of the report goes on to quote the words of Wilbur Cohen, US Secretary of Health, Education and Welfare under President Lyndon Johnson in the 1960s: 'Programmes for Poor People are Poor Programmes'. Remarkable! The report itself is extraordinarily complicated in its recommendations and prescriptions and concludes with a rejection of the one size fits all approach which the Bank used to be accused of when it tried to sell Chile to the world. Instead it adopts an eight sizes fits all model. Which model is to be applied depends on the capacity of government, its openness to influence by the poor, the degree of homogeneity of the country, etc. At least two of the models involve a strong emphasis on government being the major provider at either national or local level.

Progress in this direction in the Bank's World Development Report may in part be due to the fact that a lead author was a Finnish economist. Finland together with other Nordic countries has been undertaking a considerable amount of quiet influence by the placement of experts within the World Bank and some Regional Development Banks while also funding alternative UN research. Indeed at a seminar to evaluate interim progress with the large Nordic Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) Desmond McNeill, Head of the Fund's Reference Group asserted that the fund had encouraged new ideas within the Bank and was influencing policy inside the Bank on social development and social protection. Whether this was impacting upon countries was another matter (McNeill, 2004).

It has to be said however that other World Bank reports have given prime emphasis to service privatization. In 2000 it published a report on its Private Sector Development Strategy where social services were highlighted as a focus for private development. Moreover the International Finance Corporation (IFC) Strategy Paper for 2002 highlights health and education as frontier areas for privatization (Mehrotra, 2004).

My conclusion is that the intellectual tide is turning against the neoliberal social policy prescriptions arguing everywhere at a *national* level for targeted benefits only for the poor. The restoration of the case for good quality public services universally available with additional measures to ensure they are accessed by the poor is once again being made.

Conclusions

This case study suggests that what is to be observed is not so much a global hegemony whereby the USA via the IMF and the language of economics shapes alone the terms of the debate about social policy. What we have instead is a war of positions within which intellectuals in and around the international

organizations are engaged in a contest of paradigms and ideologies sometimes informed by empirical research. How influential particular organizations become at a particular time in history is probably a reflection of international power relations, the differential financing of the contending international organizations and intellectual and organizational effort on the part of key policy entrepreneurs associated with them.

From my normative standpoint there is room for some cautious optimism. Perhaps the US Treasury does not have total grip anymore? Perhaps the next edition of Boas and McNeill's book will conclude that powerful states (notably the USA) contend with other powerful states (notably Europe, and, given the fact the tectonic plates of the global economy are shifting even China, Brazil and India), powerful organizations (such as the World Bank) contend with other powerful organizations (such as the ILO) and powerful disciplines (notably economics) contend with other disciplines (notably social and political science) to wage a war of positions as to how the terms of debate about globalization and global and national social policy should be framed. To the extent that this is the case the role of intellectuals and their ideas struggling in and against the international organizations will have been important but not decisive. The shift in influence of contending ideas will reflect a shift in the balance of power both between countries and within and across borders whereby global social movements from below will have had an impact upon national governments and international actors and the relative power of contending international ideas.

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RÉSUMÉ

Des Filets de Sécurité au Retour de l'approvisionnement Social Universel: Est-ce que le Courant Global est en Train de Tourner?

Ce bref article fait appel à un nombre de rapports récents provenants de plusieurs organisations internationales. L'article démontre que le courant a tourné, au moins au niveau du discours, depuis l'époque dans les années 90 où on construisait un système de filets de sécurité pour la politique d'assistance sociale, surtout dans le contexte du développement – un système qui examinait les ressources des gens. Aujourd'hui, même dans la Banque mondiale, il y a certaines preuves qu'on reconnaît de nouveau l'argument pour une façon universelle d'aborder l'approvisionnement de l'assistance sociale. Ce changement suggère que la communauté épistémique internationale des analystes de la politique sociale – qui conseillent et travaillent pour des agences internationales – soit toujours un point de la lutte pour l'avenir de la politique sociale nationale et internationale.

RESUMEN

Dejando las Redes de Seguridad para Volver a las Prestaciones Sociales Universales: ¿Está Cambiando la Corriente Global?

Este corto artículo recurre a una serie de reportes recientes escritos por varias organizaciones internacionales. El artículo presenta el argumento que, por lo menos a nivel del discurso, la corriente ha cambiado desde la época en los años 90 en que vimos la construcción de un sistema de redes de seguridad para la política de prestaciones sociales, especialmente en el contexto del desarrollo – un sistema que investigaba los ingresos de la población. Actualmente, hasta en el seno del Banco Mundial, hay pruebas de que reconozcamos de nuevo los argumentos a favor de un enfoque universal a la provisión de la asistencia social. Este cambio indica que un locus de la lucha por el futuro de la política social nacional e internacional sea todavía la comunidad epistémica internacional de analistas de la política social, que aconsejan y trabajan por los organismos internacionales.

BIOGRAPHICAL NOTE

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