COMBATING POVERTY AND INEQUALITY

Structural Change, Social Policy and Politics

New challenges for and new directions in social policy

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Expert Group Meeting on the priority theme of the 53rd & 54th sessions of the Commission for Social Development: "Strengthening Social Development in the Contemporary World" Division for Social Policy and Development, United Nations Department of Economic and Social Affairs.
19 – 20 May, 2015

UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

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1. Social Security

- An end: Article 22 of the Universal Declaration of Human Rights (the right to social security), Article 25 of the UDHR (the right to an adequate standard of living), Article 9 and 10 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), the General Comment no 19 (2007) on the Right to Social Security

- A means : social insurance, or safety net etc.

- Scope : dealing with nine areas of services: health services, disability benefits, unemployment benefits, employment injury insurance, family and child support, maternity benefits, disability protections, and provisions for survivors and orphans.

- Different connotations :

  Poor law vs. social security (in rich industrialized capitalist democracies)

  Poverty vs. social security (in developing countries)

2. Social Protection

- **Frame work, approach, and strategy : e.g. Social protection as a policy approach and a part of policy framework** to address persistent poverty, inequality, economic and social vulnerability and structural causes.

- **Typical tools for social protection**: labour market interventions (regulations on industrial relations and labour market, and active labour market policies), social insurance, social assistance, social services

2. Social Protection continued…

- ***Poverty-vulnerability-risk focused vs. Wellbeing focused conceptualization***

  - ***Poverty-vulnerability-risk focused conceptualization*** **: e.g.**
    - "Social protection consists of policies and programs designed to ***reduce poverty and vulnerability*** by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as an unemployment, exclusion, sickness, disability and old age". (the World Bank 2001)
    - "Social protection is a set of interventions whose objective is to ***reduce social and economic risk and vulnerability***, and to ***alleviate extreme poverty and deprivation***. A comprehensive social protection system should include four broad sets of interventions: those that are protective, preventive, promotive and transformative." (UNICEF, 2008, p. 3)

2. Social Protection continued…

- ***Poverty-vulnerability-risk focused vs. Wellbeing focused conceptualization***

  - ***Wellbeing focused coceptualization* e.g.**
    - "Social protection involves interventions from public, private, voluntary organizations, and social networks, to support individuals, households and communities to ***prevent, manage, and overcome the hazards, risks, and stresses threatening their present and future well-being***." (UNDP, 2006)
    - "Social protection is concerned with ***preventing, managing, and overcoming situations that adversely affect people's well-being***". (UNRISD 2010)

- Policy trends in rich industrialized capitalist democracies: From labour market based on demand management to flexible labour market based on supply and demand
- **“High road”** to labour market flexibility: Adequate unemployment benefits and active job creation and training
- **“Low road”** to labour makret flexibility: Little protection for the unemployed and job insecurity through short-term contract
- Nature of actors for **High road** option: Coordinating State, Patient Capital, and Patient Labour

4. Social Policy

Ends and Means of Social Policies by Selected Scholars

Ends	Means	Scholars
Solving the problems of society	Enduring solutions	Howard E. Freeman and Clarence C. Sherwood (1970)
Betterment of community conditions and social life	Policies for an organization or political unit	
Amelioration of deviance and social disorganization	Policies for an organization or political unit	
Improving conditions and changing the values, structures	Continuous modification of existing social services	
Social purposes and consequences of agricultural, economic, manpower, fiscal, physical development and social welfare policies	Not social service alone	Martin Rein (1970)
Planning for social externalities, redistribution, and the equitable distribution of social benefits, especially social services	Not social service alone	

Affecting the social relationship of individuals and their relationship to the society of which they are a part	Strategy or a settled course of action	National Association of Social Workers (1963)
Building the identity of a person around some community with which he or she is associated	Policies centering around institutions that create integration and discourage alienation	Kenneth E. Boulding (1967)
Having a direct impact on the welfare of the citizens	Policies providing services and income such as social insurance, public assistance, the health and welfare services, and housing policy	T.H. Marshall (1965)
Changing the individual and family pattern of current and future claims on resources set by the market, set by the possession of accumulated past rights, and set by the allocations made by government to provide for national defense and other non-market sectors	Redistributive mechanisms including social welfare, fiscal welfare and occupational welfare	Richard Titmuss (1969)
Institutionalizing control of present and future social development and meeting specific social objectives such as social equality or justice, the redistribution of wealth, the adjustment of income	A broad range of measures for institutionalized control of social development adopted by government, industry, voluntary associations, and professional bodies	Peter Townsend (1969)
Ordering of the network of relationships between men and women	Policies governing the activities of individuals and groups so far as they affect the lives and interest of other people	A. Macbeath(1957)

5. Social Policy In Broad Sense

- **C117, 1962 Social Policy (Basic Aims and Standards) Convention** "all policies directed to the ***well-being, development and social progress***", "***the improvement of standards of living as the principal objective*** in the planning of economic development", "adequate ***provision to the maximum extent possible under local conditions***).

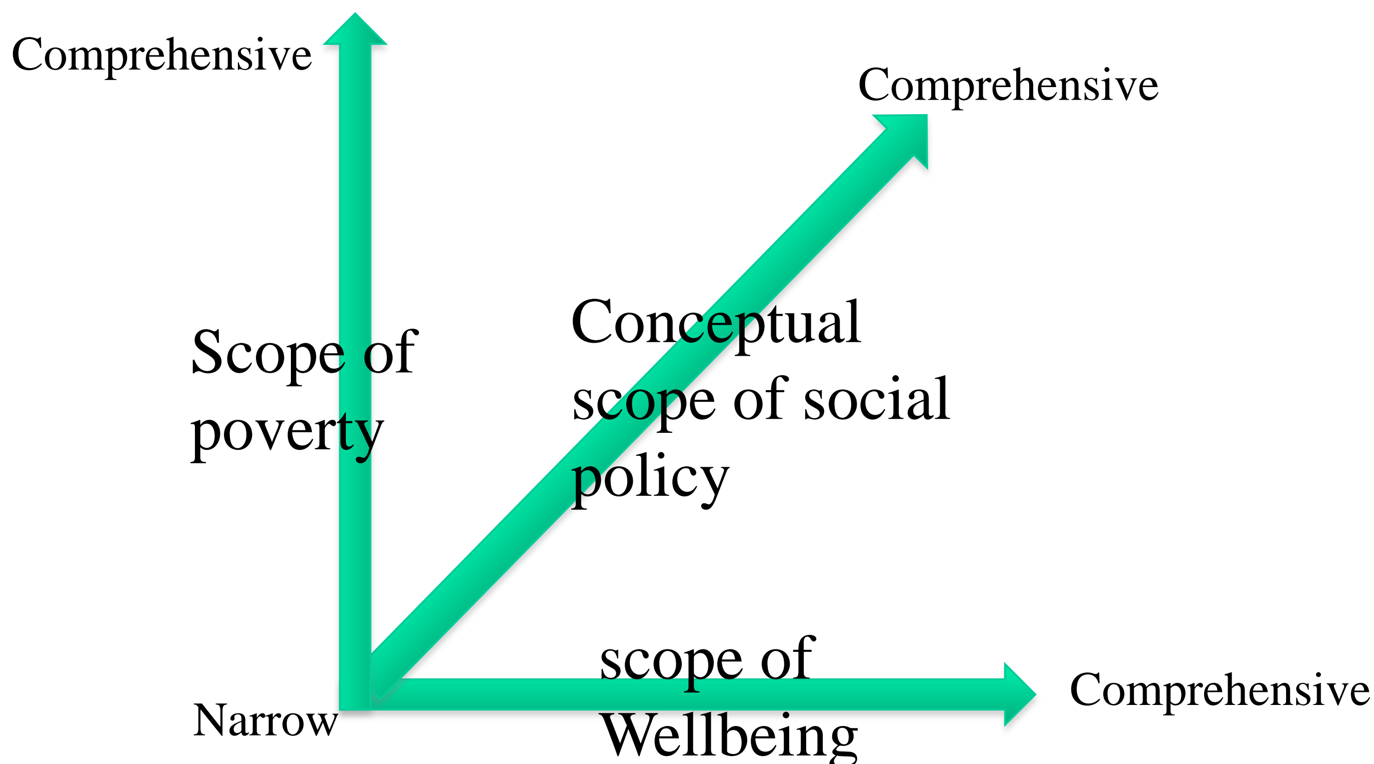
- **UNRISD's conceptual approach to social policy**
  - ***Purposefully broad enough definition: the "collective intervention in the economy to influence the access to and the incidence of adequate and secure livelihoods and income"***
  - social policy is ***an integral element*** of every development strategy.
  - Social policy consists of many transformative instruments for structural change. (***protection*** of citizens from vulnerability and contingencies; ***production*** of goods and services; ***redistribution*** of wealth and income; and ***care and reproduction*** of labour as a means of production.

6. Transformative Social Policy

- approach of social policy grounded in ***universal rights (social policy based on universal approach)*** that aims to:
  - ✓ enhance the productive capacities of individuals, groups and communities;
  - ✓ reinforce the progressive redistributive effects of economic policies;
  - ✓ reduce the burden of growth and reproduction of society, including care-related work, and
  - ✓ protect people from income loss and costs associated with unemployment, pregnancy, ill-health or disability, and old age.

7. Elective Affinity

- Welfare (well-being) and poverty – a variety of definitions
- Conceptual elective affinities between poverty, wellbeing and social policy



8. New Challenges and Risks

Conventional accounts of the welfare state development

National policies disconnected, independent processes

- The power of groups or organizations theories
- Systematic needs as structural consequences
- Interests and capacities of the agent of welfare state change (or status-quo)

Global dimension: political, social, and economic projects

8. New Challenges and Risks

1. Inequality
2. Financialization
3. Decreased decent jobs (increased informality)
4. Divergence of productivity and wage
5. Changing nature of the service industry
6. Labour market flexibility
7. Ageing society
8. Changes of family structure
9. Political awakening (norm-emergence, norm-cascade, norm-internalization) and limitations of political system
10. Climate change
11. Protracted crisis

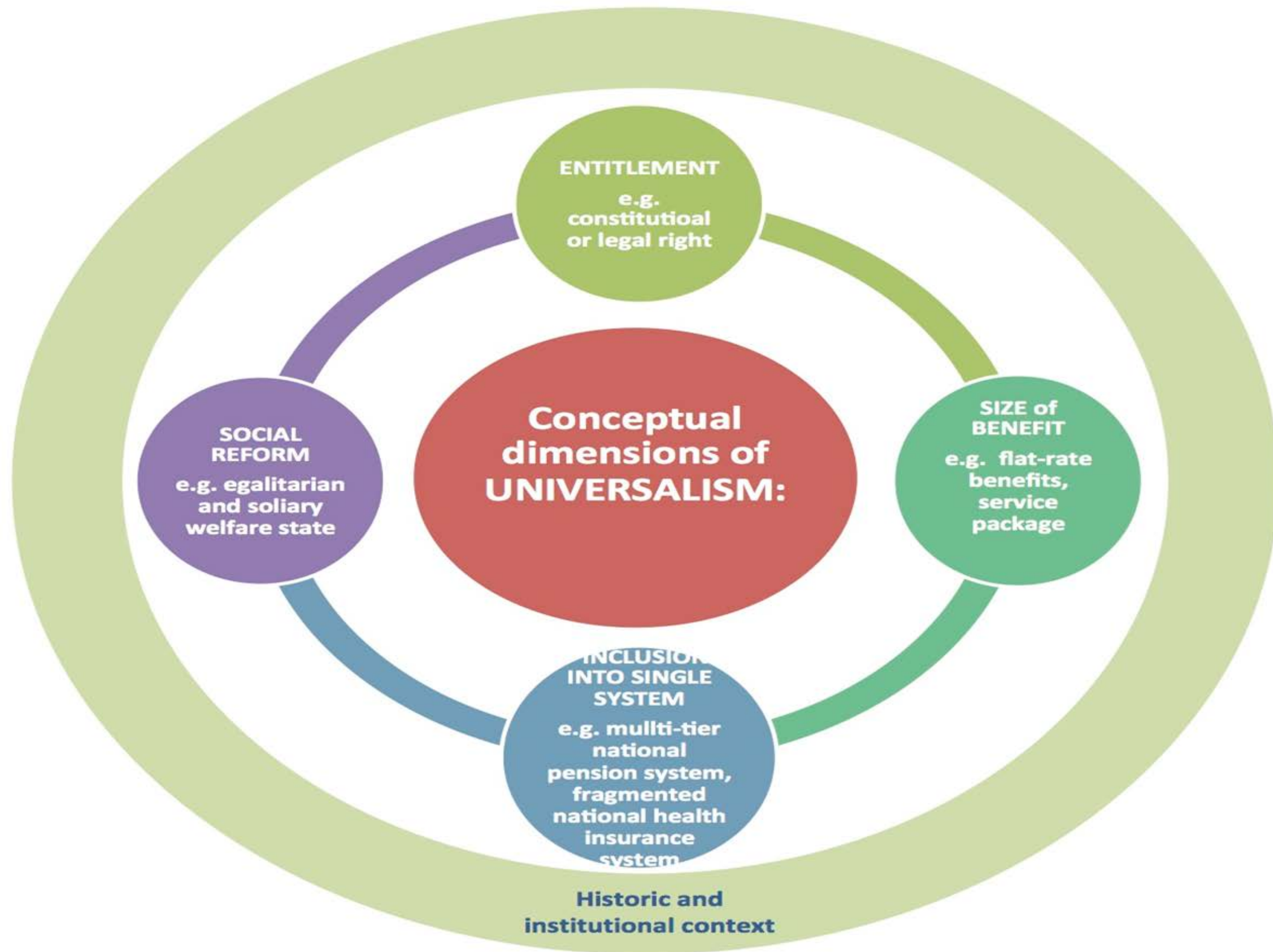
9. New Directions in Social Policy

- Transformative social protection and Transformative social policy
- Need to be concrete about institutional complementarity or synergies
- Need to explore the role and functions of social policy responding to new systematic needs (protracted conflicts, natural disasters and humanitarian crisis context) – “Nexus between humanitarian aid and social policy”, “When security meets social policy”..etc.
- Need to strengthen the link between normative dynamics (norm-emergence, norm-cascade, and norm-internalization) and social policy
- Social policy at local, national and global level
- Moving away from narrowly-defined poverty to comprehensively-defined development focused policy (as a strategic framework for SDGs)

10. Evolution of Universalism in Social Policy

- Universalism in social policy: historically and socially constructed concept, essentially contestable concept
- Universalism describing historical experiences: Post-World War British Welfare State, Scandinavian Welfare States (termed from the 1980s)
- Universal health coverage since the 2010s (2012 UN GA Resolution)
- Post 2015 SDGs – Universality..

10. Evolution of Universalism in Social Policy continued…



	Entitlement	Size of benefit	Inclusion into single system	Ideal (Egalitarianism and Solidarity)
Key question	Whether "all" are entitled to XXX	Whether the size of benefit is "same for all"	Whether the "same rule" is applied to "all"	Whether social policy is egalitarian and solidary enough to realize economic, social and political participation of individual citizen as a "full member of society".
Satisfying Policy instrument	Constitutional and legal rights for all	Flat-rate benefits for all, same service package (e.g. primary education, primary health care) for all	Single system of social service provision (e.g. multi-tier pension system, national health insurance system composed of different schemes)	Progressive redistributive institutions (e.g. progressive taxation), political institutions for political coalition for universal social policy (e.g. Tripartite dialogue), sustainable economic development model (e.g. Rehn-Meidner model)
Examples	Various constitutions (Brazil, Uruguay, Latvia, Senegal, etc etc.)[1]	British Retirement Pension(the Basic State Pension)	British Pension system with the State Earnings Related Pension Scheme (the State Second Pension)	Scandinavian welfare models up until the early 1990s
Underlying assumptions and theories, Philosophies, or elective affinity	Liberalistic individualism, market fundamentalism	Social liberalism	Conservatism (Subsidiarity principle)	Social democracy
Key issues in realization	How to realize the rights (knowing, organizing to claim, establishing the institutions to monitor and evaluate)	Whether the level of benefit is adequate enough to meet socially accepted basic needs?	How to prevent increasing inequality between the beneficiaries of different schemes?	How to make welfare system politically and economically sustainable? (political power of social democratic parties, economic development etc.)

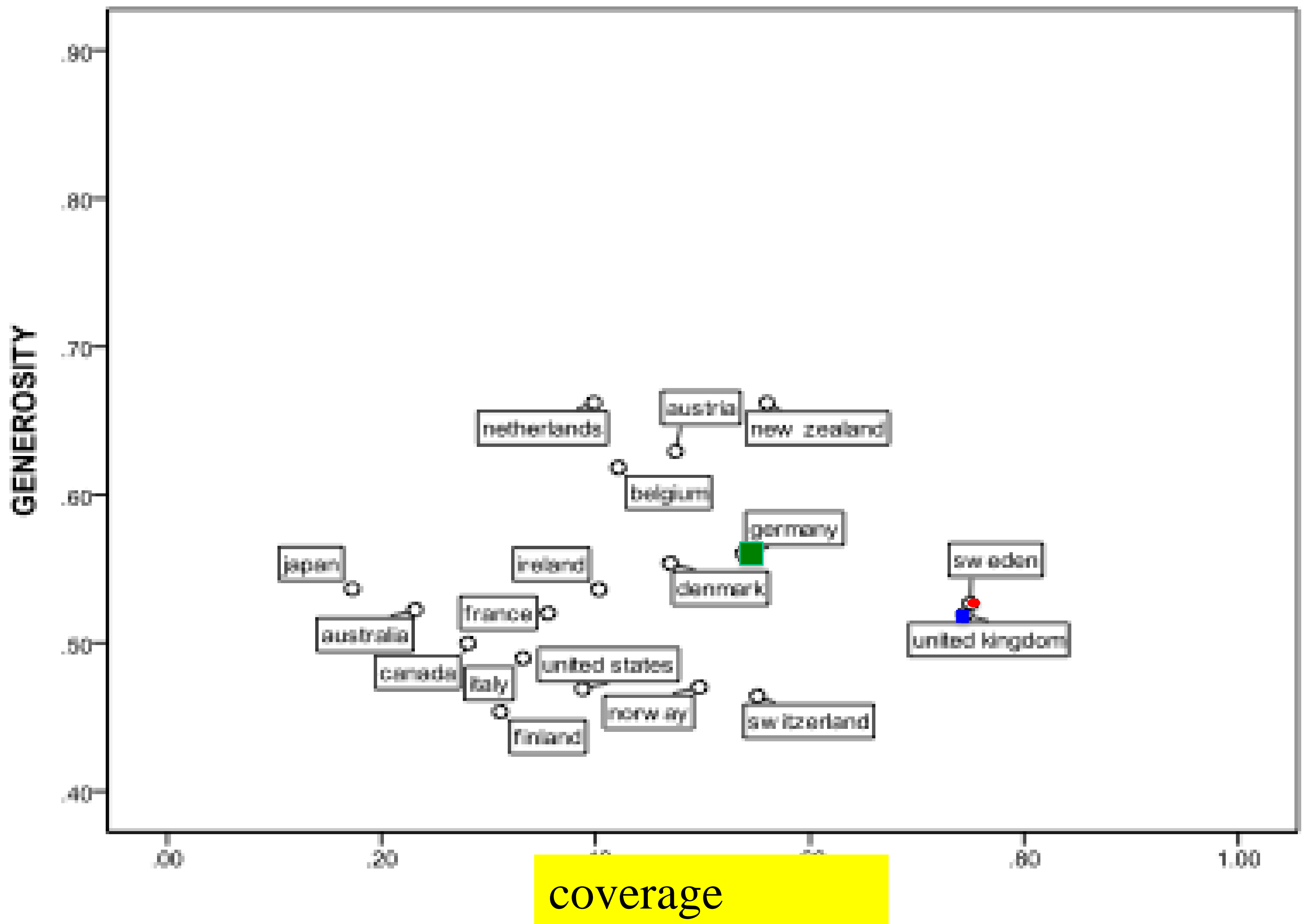
[1] More than half of the world's countries have some degree of a guaranteed, specific right to public health and medical care for their citizens written into their national constitutions. 86 Countries' constitutions (out of 191) do not guarantee their citizenry any kind of health protection, and the US is one of them. Jody Heymann, Adèle Cassola, Amy Raub & Lipi Mishra (2013) Constitutional rights to health, public health and medical care: The status of health protections in 191 countries, *Global Public Health: An International Journal for Research, Policy and Practice*, 8:6, 639-653, http://www.tandfonline.com/doi/pdf/10.1080/17441692.2013.810765

11. Diverse welfare state regimes Combating Poverty and Inequality: Lessons from Advanced Countries

TABLE 5.1: Inequality and poverty by welfare state regimes

	Inequality among working-age population			Poverty among working-age population		
	Pre-tax and transfers Gini	Post-tax and transfers Gini	Reduction in Gini due to taxes and transfers (%)	Pre-tax and transfers (%)	Post-tax and transfers (%)	Reduction in poverty due to taxes and transfers (%)
Social democratic welfare states[a]	0.35	0.21	40.0	18.8	4.0	77.8
Christian-democratic welfare states[b]	0.35	0.26	26.0	15.6	7.0	51.6
Liberal welfare states[c]	0.42	0.32	24.4	20.5	12.0	39.5
Grand mean	0.37	0.26	30.1	18.3	7.7	56.3

Notes: Mean values. [a] Data refer to 1995 for Sweden, Norway and Finland, and to 1992 for Denmark. [b] Data refer to 1992 for Belgium and Switzerland; 1994 for the Netherlands and France; 1989 for Germany. [c] Data refer to 1994 for Australia, Canada and the United States; 1995 for Ireland and the United Kingdom.
Source: Adapted from Stephens (2007).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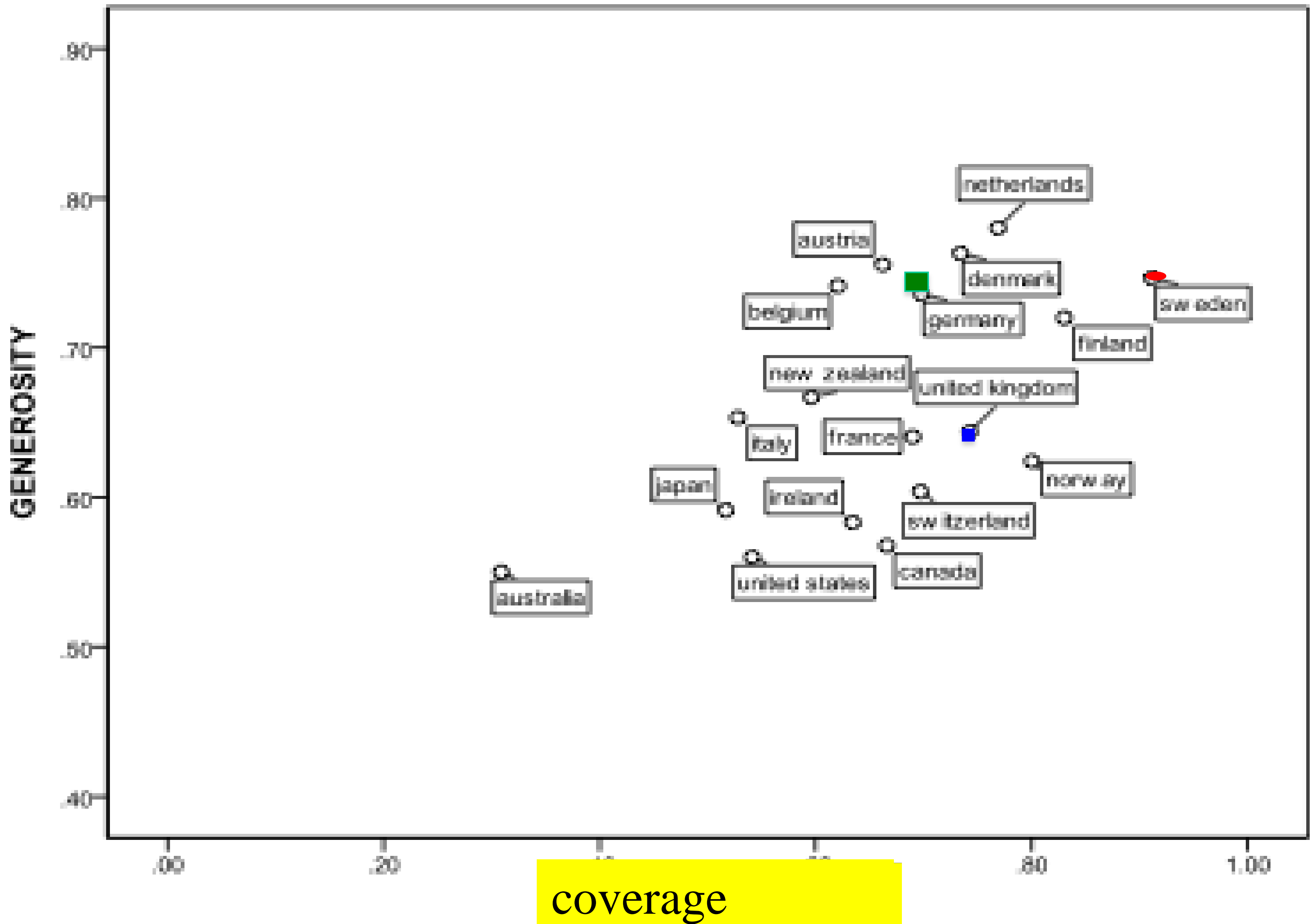
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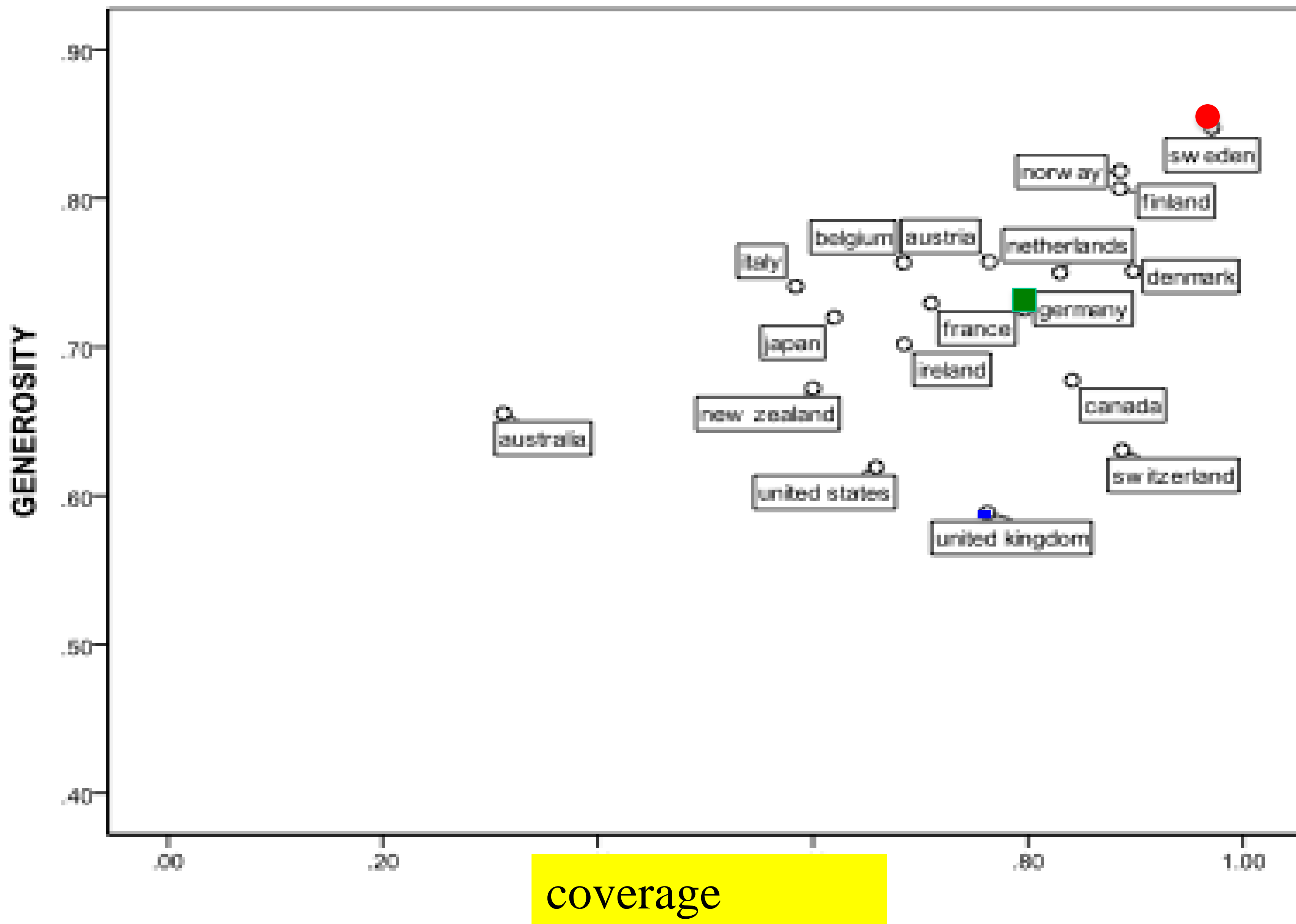

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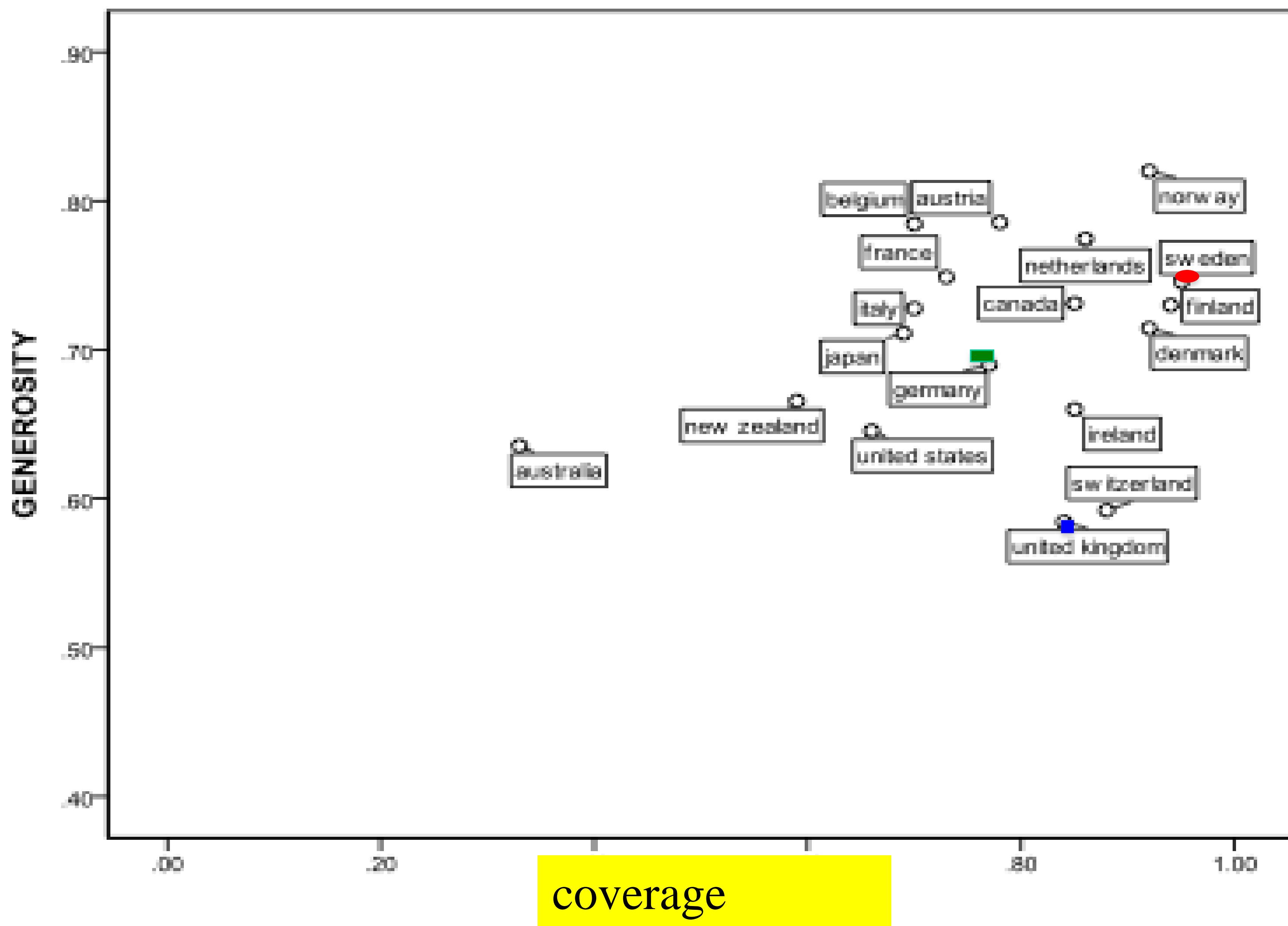

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1. **Macroeconomic policies**– active *interventionist* government, *counter-cyclical* fiscal policy aiming at full employment, *industrial policy* for productivity-enhancing structural transformation, capital *control*, strong role of *central bank*
2. **Labour market regulation and full employment policies :** job *security*, increase of *minimum wage*, *wage compression*, intervention into distribution of *functional income* and redistribution through taxes, etc
3. **Wage bargaining and industrial relations**: – tripartite, or bipartite *social dialogue* for political and economic consensus
4. **Social policies**: moving towards *universalism (targeting within universalism)*
5. **Governance and social policy administration:** enhancing government capacity

9. Diverse welfare state regimes Combating Poverty and Inequality: Lessons from Emerging Economies

- UNRISD Research Project "Towards Universal Social Security in Emerging Economies (**www.unrisd.org**)"

- Key questions

- What are the institutional and political factors to shape the paths of expanding health coverage (in terms of population, benefit, financial coverage) and quality?
- What are the key challenges and policy dilemmas of emerging economies in achieving "Universal Health Coverage"?
- What do institutional and political arrangements substantiate Universal Health Coverage? How can UHC move towards Universal Healthcare (egalitarian and solidary healthcare) ?

Case countries:
BRICS + Indonesia, Thailand and Venezuela

	Group 1 : Still setting the national policy agenda for moving towards UHC	**Group 2: Substantial progress toward UHC but facing significant gaps in coverage**	**Group 3: Achieved some UHC goals but facing new challenges in deepening and sustaining universal health coverage**
Status of UHC:	UHC Agenda setting; piloting new programmes and developing new systems	Initial programmes in place and implementation in progress	UHC policy in implementation
Status of health coverage	Low population coverage	Not yet universal coverage; significant coverage gap in access to service and financial protection	Universal population coverage
Countries	South Africa, India	Venezuela, Indonesia	Thailand, Brazil, China, Russia,

Qualitative and quantitative assessment : key structural factors and political and institutional drivers

	UHC linked to major economic and political change	Electoral competition	Social movement linked to politics of priority setting	Favorable economic conditions (when adopting UHC as a goal)	National policy space	Parallel expansion of social programmes
South Africa	n. a.	Y	Y	n. a.	Y	Y
India	n. a.	Y	Y	n. a.	Y	Y
Venezuela	Y	Y	Y	N	Y	Y
Indonesia	Y	Y	N	N	N	Y
Russia	n. a.	N	N	n. a.	Y	N
China	N	N	N	Y	Y	Y
Thailand	Y	Y	Y	N	N	Y
Brazil	Y	Y	Y	N	N	Y

ILO’s social health protection data sets (ILO, WHO)

Key Findings and lessons on institutional and political arrangements

- ***Legacies of marketization***
  - Inflated costs (ex. China and Russia) (less efficient)
  - In addition to “hollowing out”, filling change-resistant factors(or multiple veto points) in public sector (ex. China, Russia, South Africa, and Venezuela).
  - Resistance to UHC is not only private sector but also in public sector especially when profit-driven practices are widespread (ex. China, Russia, South Africa, and Venezuela).

- ***Resource constraints***
  - Resource constraints can be either real or perceived one.
  - Macroeconomic policies, labour market policies and regulations, social services, wage and industrial relations, financing welfare, governance and social service administration, and global factors (The level of economic growth, share of informal employment, the capacity of the tax administration, the efficiency of healthcare service, profit-seeking healthcare service, corruption, and level of commercialization of medicine.)
  - Economic growth is not a necessary condition for adoption of UHC policies but important in supporting the enhancement of universalism (quality, financial protection, and population). (ex. Brazil and Thailand).

Findings and Lessons continued…

- ***Political alliance***
  - Drastic changes in economy and polity makes crucial the role of political alliances

- ***Democratization***
  - Both challenges and opportunities of UHC (ex. Brazil, Indonesia, Thailand, and Venezuela).
  - Political tailwinds when there is a strong support from the grass root (credit claiming) / political headwinds when there is a weak support from the grass-root (blame avoidance)
  - An alliance between political parties and social movements is crucial to make the political incentive of “credit claiming” dominant, which positively affects the expansion of health coverage (Brazil, India, Indonesia, South Africa, and Thailand).

Findings and Lessons continued…

- ***Decentralization of health care***
  - Decentralization combined with patrimonial and clientelistic politics tend to result in a fragmented system of health care (ex. Indonesia)
  - Decentralization without enabling environment fails to improve the quality of health service. Regionalization of health care (or integrated planning of decentralization of health care system) can be successfully implemented only when there is *a high level of inter-governmental coordination* (ex. Brazil with regionalization and Venezuela without inter- and intra-governmental coordination).

- ***Influence of Global Factors***
  - *Political trilemma of the world economy*: democracy, national determination and economic globalization -- the burden of debt repayment, TNC interests, and IFIs' conditionality often hinder the health system reform. They put the impediments in health system reform by reducing regulatory capacity of the state and pushing decentralization without planning.
  - Welfare state regime based on universalism and strong grass root support is more likely to resolve world economy trilemma affecting health system reform.

Findings and Lessons continued…

- ***Challenges and Opportunities of Implementation of Constitutionalized Human Rights to Health***
  - Constitutionalization of the right to security and health becomes instrumental only when people have the capacity to politicize the law as a site for contestation, and utilize judiciary and political institutions with the technique and discourse of contestation – the role of civil society in setting the political agenda
  - Without carefully designed and informed plans for UHC, implementation of legalized rights to health tend to result in a fragmented system of health care delivery, which increases additional administrative costs for achieving UHC (ex. Indonesia)

- ***Policy process in the absence of free electoral competition (China)***
  - Diffusion as well as prerequisites
  - Institutions facilitating public deliberation such as media, academics, interest groups, international organizations, foreign advisors, and social protests are critical in identifying policy problems and designing policies.
  - Recognition of the linkages between social policy, poverty reduction and economic growth by ruling elites are key for reforms.

Findings and Lessons continued…

- ***Institutional complementarities***
  - *Diverse ways to creating Institutional complementarities*: Institutional complementarities, or policy regimes, vary across countries because they are a product of: competing values and social norms; differences in the weights accorded to markets and non-market institutions in coordinating activities, and differences in power structures and institutions which have evolved historical.
  - *Institutional complementarities for inclusive, productivity and growth-enhancing, environmentally friendly structural transformation*: Institutional complementarity between and within policies and institutions of macro-economic management, labour market regulation and employment generation, wage bargaining and industrialization, social policies, and governance and administration is crucial for inclusive social and economic development.

Findings and Lessons continued…

- ***Limitations of public-private partnership in achieving UHC***
  - *Strong government control over private health sector* : Bifurcated service without strong government control generates crowding-in effect in private healthcare sector (i.e. crowding-out effect in public healthcare sector) and increases out-of-pocket payment (Brazil and Thailand)
  - *Control over capital market* is crucial to govern the private healthcare sector.

- ***Universalization Process***
  - Neither linear nor cumulative process – Top-down or bottom-up initiative, health system reform as a political project and the importance of political will
  - There are multiple paths to UHC (no one-size-fits-all).
  - In emerging economies, it is more complicated due to the hybrid policy regime in which both neoliberal retrenchment of the state's role in terms of finance and delivery and the pro-universal health coverage policies compete with each other.