

# The Citizen at the Centre in the EU

Global Developments in the Social  
Sector and the role of NGOs



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# What I will cover

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

# Global Influences

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

# World Bank and IMF

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

# Tension in the World Bank

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

# World Bank and Health Care

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

# World Bank and Pensions

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



# Three Schools of thought on Globalization

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

# Three Schools of thought on Globalization

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

# Three Schools of thought on Globalization

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

# Areas of Social Governance Reform

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

# Universalism to Safety Nets

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

# New politics

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

# New politics

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

# Retrenchment policies

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



# UN Commission for Social Development

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

# UN Commission for Social Development

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

# ICSW

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

# Questions

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

**13,802**

**Source CIA website. All figures USD Data mainly 2004**

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

# Public goods and welfare benefits

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

# Areas of global activity

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

# Obstacles to Reform

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



# Classic Theory of Globalization

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