



Comprehensive Social Policy

Fighting Poverty through
Investing in Social Protection

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Fighting Poverty through Investing in Social Protection

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**Report of a Norad Conference held in Oslo, Norway
20 November 2007**

Department of Economics and Public Administration

Table of Contents:

1. Introduction	3
2. Background to the Conference	4
3. Opening Session	7
4. Session I: Social Policy in a Development Context	8
5. Session II: Investing in People – Social Protection for All	16
6. Final Session: Now What? Challenges ahead for the development agenda	26
7. Closing remarks:	30
Annex 1: Conference agenda	31
Annex 2 List of speakers	33

1. Introduction

This is the report of the international conference ‘Comprehensive Social Policies – Fighting Poverty through Investing in Social Protection’, held at Norad on 20 November 2007.

The purpose of the conference was two-fold: to contribute to knowledge sharing and critical debate about a topic that is gaining increased interest internationally and to assess the implications of the role of social protection for the national and international development agenda, aiming to arrive at recommendations for the way ahead.

To fulfil this purpose, Norad invited a number of leading international and Norwegian experts to share some of their insights. The relevance of social policy in the development context was discussed and concrete experiences from implementing social protection systems in three different African countries were presented. Towards the end of the day, various development actors gave their views on the role social protection is currently given in developing countries. In the final session, Sida also briefly presented their new position paper on social security.

The choice of focusing the second part of the day specifically on **social protection** arose from the following considerations:

1. Norway has generally supported traditional social sectors such as health and education, in addition to HIV/AIDS and the inclusion of vulnerable groups. These important areas are integrated into Norwegian development policy.
2. Social protection is a relatively new area in the development debate, especially in Africa where more governments now include social protection in their national development strategies.
3. Social protection aims to protect citizens from social contingencies and poverty, and to enable them to reach their own goals. In addition to being justified as a human right that ensures a minimum standard of living, social protection should be seen as a way to strengthen on-going work within health, education, and HIV/AIDS. It is particularly relevant as a mechanism to include vulnerable groups.

Based on this, Norad chose to follow - up with critical debate centred around two main questions drawn from the title of this conference: 1) What is the role of comprehensive social policies in development and 2) What is the role of social protection – as an integral part of comprehensive social policies – in achieving the central goal of poverty reduction?

During recent years, Norad has worked closely with Sida and the Finnish Ministry of Foreign Affairs with social policy issues. In 2006 similar seminars were held in Sweden and Finland. The seminar *Social Policy in a Development Context* was part of Sida’s work to promote social development and social protection in development. This was a follow-up to a research seminar co-hosted by Sida and the Nordic Africa Institute. Finland organised an expert meeting on *Comprehensive Social Policies for Development in a Globalising World*, resulting in a publication with the same title.

The Norad conference can be accessed (in Norwegian) at <http://www.norad.no/sosialpolitikk> where links to relevant sites on social policy can be found in addition to the Norad conference programme, presentations, and this report¹.

¹ <http://www.globalaging.org/agingwatch/events/CSD/2007/comprehensivesocialpoliciesstatement.pdf>

2. Background to the Conference

In many international agencies, there has been an emerging interest in rethinking conceptual frameworks and action plans for comprehensive social policies. These fora include the World Bank, the UN, the African Union and NEPAD, the European Union, OECD/DAC, and others. Some of the consensus from a number of relevant conferences is reflected in this report. The purpose of this report is to provide insights into the current global debate and to place the Norad conference within a broader context.

In November 2006, social policy experts from the North and the South came together in Kellokoski, Finland, to contribute to the follow-up of the World Social Summit held in Copenhagen in 1995. They aimed to facilitate international efforts that would promote the design and implementation of comprehensive social and employment policies.

In Copenhagen, governments agreed that **poverty eradication, full productive employment, and social integration** are the three most important challenges for international development. Since then, poverty eradication has been the primary objective – and the question has been raised whether poverty has been isolated from and insufficiently linked with the other two goals. The Millennium Declaration stresses the importance of making globalisation a positive experience for all, but we are not there yet. Widespread poverty exists; there has been a feminisation of poverty; and the underlying causes of poverty have not been addressed. Poverty strategies are central, but to be really effective and sustainable, there is a need to increase the emphasis on *rights-based and universal* employment, social protection, and social inclusion. Economic growth and structural changes are important to obtain social goals at national and international levels, but not all growth benefits poor people – *the pace and the pattern matter*. *Decent work* is an important means and goal, as well as being an essential indicator in measuring economic progress. *Social cash transfers*, such as universal non-contributory social pensions schemes or child benefits, similarly have a key role to play. In addition, the importance of *sound and just macroeconomic policies* should be stressed.

The idea of a comprehensive framework for social policies is grounded in the understanding that economic growth is a necessary but insufficient condition for socially just development. Economic and social development should be interlinked to promote employment, social and human security, inclusion, equity, empowerment, and pro-poor growth. Comprehensive social policies are needed to establish and secure institutions for redressing poverty, inequality, and conflict.

Defining social policy in a comprehensive way implies that we need to go beyond basic social services, to examine the **social dimensions of all policies** including macroeconomic policies and infrastructure investments. The UN Department for Social and Economic Affairs (UNDESA)² captures this in their understanding of social policy:

Social policy is an instrument applied by governments to regulate and supplement market institutions and social structures. Social policy is often defined as social services such as education, health, employment, and social security. However, social policy is also about redistribution, protection and social justice. Social policy is about bringing people into the centre of policy-making, not by providing residual welfare,

² UN Social Policy Guidance Note, draft 2006.

but about mainstreaming their needs and voices across sectors, generating stability and social cohesion. Social policy is also instrumental in that governments use it pragmatically to secure the political support of citizens, and to promote positive economic outcomes by enhancing human capital and productive employment. Social policies can also create a virtuous circle linking human and economic development that, in the long run, will benefit everybody by boosting domestic demand and creating stable cohesive societies.

The Norad conference is also linked to the following key events:

- **Social Policy in a development context**, a seminar organised by Sida, in October 2006. At this seminar the results from the United Nations Research Institute on Social Development (UNRISD) were presented, and various actors discussed their own work on social policy. Attention was also given to the so-called Nordic model and its relevance to developing contexts.
- **World Conference in Lisbon on Social Protection and Social Inclusion** in October 2006, organised by the International Labour Organisation, the Portuguese Government, and the European Commission. The conference emphasised that social cash transfers have a key role to play in development countries, and that the link to labour market policies is important. Social cash transfers reduce child labour, improve school results, contribute to investments in human capital, and can make it easier for young adults and unemployed people to integrate into the labour market. Social cash transfers have not been shown to have significant negative effects on adults' incentives to work. The conference stressed the need to focus on all three pillars from the Copenhagen Summit – social inclusion, employment, and poverty eradication.
- **Intergovernmental Regional Conference. A transformative agenda for the 21st Century: Examining the case for basic Social Protection in Africa**, organised by the Africa Union and the Government of Zambia together with HelpAge International in March 2006. This conference was the first to be organised by African governments where the importance of social policies for poverty reduction and development was placed on the agenda. The main focus of the conference was social cash transfers. All conference participants – 13 African countries and Brasil - are working to include social protection in their national development strategies. In the outcome document, the **Livingstone Call for Action**, African countries committed to develop costed plans for public social cash transfers during a three-year period. A 'Livingstone II' conference is planned for March 2008.
- An international conference hosted in December 2005 by the World Bank in Arusha, Tanzania, on **New Frontiers of Social Policy Development in a Globalising World**. This conference emphasised that social policy must no longer be an afterthought, and recognised that development policy is always simultaneously economic and social policy.

Norwegian development policy emphasises the importance of a rights-based approach. Rights-based approaches strengthen the normative case for social policy in that they 'offer normative standards and principles, analytical tools and operational guidance [...]'³.

A rights-based approach to social policy requires the introduction of institutions and policies that secure every member's access to a social minimum⁴.

³ L.H. Piron (2004), 'Rights-based approaches to social protection', Overseas Development Institute.

Key elements are:

- The definition and widespread communications of rights, entitlements, and standards which enable citizens to hold public policy makers and providers to account for the delivery of social policy.
- The availability of mechanisms of redress where citizens can go if they are unable to enjoy specific entitlements to social minimums.
- A commitment to the equitable delivery of the specified rights, entitlements, and standards to all on a universal basis.

Social protection

As a central element of social policies, the role of social protection in social and economic development has gained increasing attention over the last years, not least because of programmes in Latin America such as ‘Bolsa Familia’ in Brazil and ‘Oportunidades’ in Mexico.

DFID defines social protection as a subset of public actions to address risk, vulnerability, and chronic poverty. The goal is to improve poor and vulnerable people’s ability to tackle economic and social risks such as unemployment, exclusion, illness, disability, or age; to protect their livelihoods and welfare; and to enable them to better participate in economic growth processes. The three most common forms of social protection are social assistance (cash or in-kind transfers), social insurance, and labour market interventions. In addition, it can include micro-schemes and child protection.

According to articles 22, 23.3, and 25 in the Declaration of Human Rights, social protection is a human right. It is also included in the International Covenant for Economic, Social and Cultural Rights (Articles 7, 9 and 11). As such, it is mainly attached to the right to an adequate standard of living and the right to social security.

Cash-based social assistance schemes including social non-contributory pensions, child benefits, or disability benefits have proved to have a positive impact on a number of social indicators such as poverty reduction, improved nutrition, increased access to water and sanitation, health care, and education. They add valuable capital that can be invested in the local economy. They create jobs, support families affected by HIV/AIDS, and contribute to increased self-respect and participation in society – not the least for women.

Climate change is accentuating the fact that for many poor people, shocks are the norm. Providing long-term social protection systems is key to forming a foundation for timely emergency scale-up when required. However, cash transfers should not be used in isolation – they should be coupled with empowerment programmes, changes in legislation, and good health care and education systems – in other words, they should be part of comprehensive social policies. Although social protection has been more widely used in Latin America and in parts of Asia, a number of African governments now include strategies for national social protection systems. The challenge is to get support for these strategies, both from national governments and from international actors. Responsible ministries often have low capacity and weak negotiation skills. Existing social protection schemes in African countries tend to be under-financed and weakly coordinated, although there are some exceptions. The Norad conference examined different social protection systems in three African countries: South Africa, Zambia, and Rwanda.

⁴ <http://www.worldbank.org/socialpolicy>, see ‘Rights, Entitlements and Social Policy’.

3. Opening Session

Erik Solheim, Norwegian Minister of the Environment and International Development

Growth is necessary to eradicate poverty. However, growth alone is not enough to secure poverty reduction. Although there have been some trickle down-effects, for instance in China, where rapid economic growth has given some benefits for the poor parts of the population, there is also **a major role for social policies in development.**

The Minister drew parallels to Norway's own history. Social policy in Norway started among doctors, teachers, and nurses, who began thinking about the reasons for the sufferings of the poor. It had a religious umbrella. Then the labour unions started campaigning for welfare schemes. The focus was not on the extremely poor people, but this group also benefited from it. Our historical experience is that social policies played an important role in Norway's development. Our experience has shown us that social policy was important in order not least, to form the 'class compromise'.

If you look around the world today, there are many interesting issues. In Latin-America there is a process to include new groups into the state. Before, the ruling class was extremely narrow. In country after country, trade unionists, indigenous people, women, and peasants are included into the state, even as heads of states. This is a reformist revolution, which is now taking place in Latin America. If you look to Asia, formal social policies may not have played a major role, but there has been a strong focus on nation building in countries such as Korea and Japan and this has been important to social and economic development. There is a larger degree of 'cohesion' and smaller gaps between rich and poor people.

To eradicate poverty, it is important to focus on growth with an emphasis on social security. A middle path between two extremes (socialist regimes versus regimes embracing full liberalisation) is the best system for eradicating poverty. In the middle path, more people can feel included in the state. If people feel excluded from the state, why should they support the nation? Building nations by making the state more inclusive is a very important tool to enhance development.

After the Minister's speech, Norad gave a short background to the conference and guided the participants through the programme for the day (pointing to some of the relevant questions to be discussed). The background information has been incorporated into the first part of this report.

4. Session I: Social Policy in a Development Context

Social Policy in a Developing Context – a summary of research lessons from the research programme on social policy in a development context

Thandika Mkandawire, Director of UNRISD

Social Policy must deal with Distribution, Protection, Production and Reproduction

Different welfare regimes have placed different weights on each of these. Thus, while one may speak of “distributionist” or “productivist” welfare states, one has to recognise that such descriptions are merely positions on a continuum. Ideologies are important to social policy because they determine the underlying motives and norms for a number of policy measures. This may include “nation-building”, “self-sufficiency”, “social cohesion”, “socialism”, “solidarity”, or “mutual responsibility”.

Social policy in developing countries is not only about poverty eradication. Historically, social policy has had other objectives such as national or social cohesion and equity. Indeed, in a number of countries that have successfully dealt with poverty within a relatively short period of time, the relief of poverty was not even the most explicit motive for the introduction of social policies. In the Nordic or East Asian countries, for example, poverty reduction *per se* was not one of the main pillars of the social policies.

Social policy is not something to engage in only after reaching a certain development threshold; nor is it an exclusive domain of advanced welfare states. Social policy is a key instrument for economic and social development. The implication is that quite a number of welfare measures can be introduced at fairly low levels of income in response to both normative and functionalist imperatives to use social policies for distributive, protective and proactive ends.

Social policy contributes to the formation of human capital by ensuring the education and the health of the population and by improving the efficiency of specific markets, such as labour markets and other markets for social provision. Social policy can contribute to capital accumulation through “forced” savings collected as social insurance funds. In some “late industrializers” such as Finland, pension funds were crucial in financing major infrastructure projects such as the electrification of the country.

Social policy can be one of the “focusing devices” of technological change by providing the human capital means for technological innovation and adaptation, as well as by sanctioning or disallowing certain technologies. Social policy affects the demand side by influencing the levels and structures of demand. It contributes to social capital by enhancing social cohesion and resolving social conflicts; it ensures the legitimacy of the political order; and contributes to political stability.

The Gendered Nature of Social Policy

Social policy is always filtered through social institutions—families and communities, markets, the care economy, health and education systems, and the public sector—that are “bearers of gender”. It is thus always “gendered” not only because it shapes how society cares for its young, old, and frail, but also because it affects the participation of women and men in both household and non-household economic activities.

Macroeconomics and Social Policy

In successful developmental experiences, macroeconomics has paid special attention to economic growth and structural changes as instruments for the social objective of eradicating poverty and improving social welfare. In the 1980s, macroeconomics was detached from these social moorings, becoming increasingly socially blind.

Tellingly, the countries that have achieved rapid poverty reduction and are poised to reach the MDG of halving extreme poverty—China, India, Viet Nam, and a few others—mostly adopted macroeconomic policies that differed markedly, or at least in part, from those promoted by the neo-liberal approach.

Universalism versus Targeting

One potent criticism leveled against many social security systems in the developing countries is that they are “segmented” and only benefit the few in the formal sector. Historically, however, the foundation of many of today’s most successful universalistic welfare states was based on “stratified universalism”, or exclusive voluntary provision of social services to members.

The speed with which universalism spread was conditioned by the political regime in place. In contrast, structural adjustment programmes and PRSPs, driven by a “targeting” rationale, begin by dismantling the exclusive rights of formal labour on the grounds that this will lead to greater labour market flexibility and will attract donor funds for “pro-poor” policies.

The International Environment for Social Policy

The global environment impinges on social policy in various ways. It can set limits on which instruments can be used in the pursuit of social goals. It can, through the provision of resources (including finance, ideas and norms), facilitate the design and implementation of social policies in developing countries. One of the central features of the Keynesian Bretton Woods international regime is that it permitted nation-states to pursue their welfare and developmental policies while engaging in greater economic interaction with other states.

Social policy is imperative for strategically opening up economies not only because it provides the human capital necessary for enhancing competitive capacity, but also because it provides the necessary protection for citizens from the vagaries of global markets.

Democracy and Social Policy

There is no simple one-to-one relationship between political regime and social policy. Many democracies have not done well with respect to some of the central preoccupations of social policy. Consequently, while one may not witness radical redistributive policies under a democratic regime, one does not find the kind of egregious neglect of social policies that can occur in an authoritarian regime. Democracy provides more space for the social articulation of interests and has, over the years, been used by social movements to push for social policies

How Poverty is Dealt with can Affect the Development of Democracy

Social policy can contribute to the consolidation of democracy as well as enhancing its quality by improving the security of the overwhelming majority of citizens. This can be done by:

- enhancing the capacity of citizens to participate in public life as autonomous actors,
- improving social solidarity (a cornerstone of citizenship), and
- weakening clientelistic social relations.

It is Important to Align Policy Choices with Institutional Capacity

The state is a key institution as an organiser, if not necessarily a provider, of social protection and provisioning. Social policies are demanding in terms of the quality of social institutions and in terms of financial resources. They require efficiency, transparency, and integrity. “Capacity” does not only refer to the direct provision by the state of social services through public expenditure, but also its ability to regulate and stimulate non-state actors in the fulfillment of requirements in social sectors. Much commercialisation of service provision is premised on the regulatory capacity of the state, the responses of the bureaucracy to the new policy regime, and the development and performance of the private sector.

The necessary capacity is not only administrative or technocratic, but even more importantly it is political, in terms of building the necessary consensus or “social pacts” for the coordination of otherwise segmented and conflicted initiatives. Liberalisation in countries with weak markets may demand of the state a regulatory capacity that it simply does not have. This can lead to inefficient monopolistic markets without the redistributive imperatives of state enterprises, producing both inefficiency in production and inequity in access to social services.

States with strong institutions are better able to translate political commitments into effective social policies and delivery systems. A more developed market requires greater regulatory capacity of the state. Consequently, just because deregulation has worked in the developed countries does not mean it can work in the less developed countries.

Increasingly, Service Provision is being Transferred to NGOs

The juxtaposition between voluntary and compulsory insurance schemes can be misleading. In many cases compulsory social insurance programmes tended to emerge either when the very broadest pre-existing voluntary movements pushed for them or when a weak pre-existing movement proved entirely unable to meet the demands for running the system. The success of a voluntaristic approach depends crucially on the institutionalisation of such basic rights as the right to organise, as well as on the administrative capacity of both the state and voluntary organisations.

Experiences with voluntary service provision suggest that there are often difficulties in scaling up to the national level activities that work at the micro level.

Financing Social Policy

The instruments for financing social policy must be fiscally prudent and compatible with other social goals, including equity and efficiency. Many “populist” regimes have ultimately foundered on the basis of a macroeconomic populism that paid scant attention to this delicate balance or confined itself to “give but not take” policies.

Social Movements and Social Pacts

Social movements and social contestation are important determinants of social policy. Such movements have affected social policies in direct and indirect ways. In the most direct way, social mobilisation has placed certain items on the policy agenda. In many cases, elite understanding of what is required to pre-empt or forestall social unrest may have driven social reform. Social pacts have played an important role in shaping social policies in a number of countries, especially in democratic ones.

Diversity of Instruments

Instruments have included fiscal policy, land reform, social legislation, classical welfare measures, and regulation of the private sector. The choice of instruments and the dominance of one set of instruments over others is often the result of a complex interplay of forces - political compromises, ideological predispositions, institutional structure, and responses to the economic and political environment – the combination of which may be unique to each country.

The “political feasibility” of a particular set of policies is determined by a country’s history and is a reflection of the constellation of social forces.

Importance of Policy Regime

Social policy should be formulated within a policy regime framework that includes social policy, economic policy, and political regimes. An important determinant of the success of social policies is the recognition of sectoral affinities or complementarities between institutions located in different spheres of the political economy.

Gender and Social Policy in a Global Context

Shahra Razavi, Research Coordinator at UNRISD

Exclusive and Stratified Social Protection: Throwing out the Baby with the Bathwater

Despite the claims to universalism, welfare systems, and in particular social protection programmes, have tended to be stratified. In many developing countries welfare entitlements were enjoyed by certain privileged segments of the workforce: typically civil servants, workers in strategic industries, or the military.

Much of the rural population as well as the large numbers working in the urban informal sector and in domestic service - major employers of women in many countries - were left out. These benefits could have been extended gradually to other sectors of the population, by specifying new eligibility criteria (underpinned by political coalitions). This is how welfare states in many contexts achieved universal coverage but since the early 1980s there has been a global trend in the opposite direction.

In the name of labour market “flexibility” and underpinned by a kind of “neo-liberal populist” ideology that claims to be pro-poor (and sometimes even pro-woman), labour has been increasingly informalised and casualised, often as part of Structural Adjustment Programmes. So in effect what we are seeing is a levelling down of social rights, rather than a catching up of women with men — a perverse way of achieving gender equality. Labour market informalisation has also exacerbated the problems of constructing and financing social protection measures such as pensions.

Labour Market Entry can be a Route to Citizenship

Citizenship in modern times has been associated—both symbolically and programmatically—with a person’s capacity to “labour”, or perform paid work. In many parts of Europe, Sweden being a pioneer, women gained symbolic and material resources for citizenship through labour market entry (especially from the 1960s onwards). This did not happen in a political vacuum; it was underpinned by political alliances among women’s rights activists across

political parties, strategic alliances with men in labour unions, in government commissions and in the ruling Social Democratic party guided by a vision of equality between the sexes which focused on work. They negotiated solidaristic wage bargaining (so that gender wage gaps became one of the narrowest in the world), family benefits, and care services financed and often delivered by the public sector, itself a major employer of women.

The last twenty years have seen a surge in women's labour force participation worldwide. Has women's participation in paid work been used as the basis for their inclusion in welfare settlements?

Women's more recent numerical entry into the work force in many developing regions, often under conditions of crisis and the dictates of adjustment, and in many instances spurred by the decline of the "family wage" has failed to bring about welfare entitlements. It is in this context that Pearson speaks of an "Engelsian myth"—the view that women's empowerment, or emancipation as it used to be called, lies in their incorporation into the paid workforce. Instead they have very often found themselves in different niches of the informal economy.

Informal employment broadly defined comprises one-half to three-quarters of *non-agricultural* employment in developing countries. Recent ILO data suggest that informal employment is generally a larger source of employment for women than for men in the developing world. Moreover, within the informal economy, men tend to be over-represented in the top segments; while women tend to be in the bottom segment. Available evidence also suggests that there are significant gender gaps in earnings within the informal economy. Hence, there may be convergence in male and female labour force participation rates in a superficial sense

Nevertheless, labour market segmentation persists, gender wage gaps remain significant (the public sector being a better performer in many countries), and women as relatively new entrants into the paid workforce have for the most part failed to win social rights through paid work in the era of labour market flexibility.

Social Sector Restructuring: Commercialisation hurts Low-Income Women

These labour market segmentations and income-based inequalities have critical implications for women's ability to access social protection mechanisms and social services;

- making their access more constrained if entitlements are provided on a commercial basis (given women's cash constraints)
- as well as when entitlements are defined in terms of employment-based "contributions" as in the social insurance model where contributions are closely tied to years in paid work, especially of the formal kind.

The restructuring of the social sectors in the post-1980s period has been driven by a number of objectives in line with the logic of fiscal restraint and pluralisation of service providers. This has led to:

- the increasing liberalisation of private sector provision
- pressures for cost recovery within the public sector (imposition of various fees and charges for public services)
- a general shift to a pluralistic system with a 'mix' of public, private, and voluntary providers.

The key change—to more extensive and explicit reliance on private payment—is likely to have disproportionately disadvantaged poor women, who typically undertake a larger share of unpaid care and who often need to finance their own health expenses (and those of their children). The evidence showing how women have suffered disproportionately from fee-based care provision in countries such as Nigeria, Zimbabwe, and Tanzania, and evidence of falling hospital admissions of pregnant women and increased maternal deaths capture some of the dire outcomes.

One of the responses to the shortcomings and exclusions of user fees has been:

- the promotion of mutual health insurance schemes (which are not financially sustainable)
- social insurance schemes—which would tend to exclude women.

Similar principles work to women's disadvantage in pension systems undergoing reform.

The fact that benefit levels in privatised and individualised systems correspond closely to the overall contributions made by the insured person, means that women with their typically lower wages and fewer years of employment are likely to enjoy lower benefits.

The fact that fully privatised systems also take into account life expectancy further works against women although this is typically partially mitigated by allowing women to draw a pension at an earlier age than men. Other factors that disadvantage women include the fixed commission on wages (for administrative costs), which affect workers with low incomes more adversely (among whom women are over-represented), and the difficulties for women of qualifying for a minimum pension because it is more difficult for them to fulfil the number of required monthly contributions (20 years in Chile and Mexico).

In public systems women's disadvantages are often mitigated by generous minimum pensions, by the fact that life expectancy is not taken into account, and that credit is sometimes given for periods of full time care. The larger point is that in privatised and individualised systems there is very little space for redistribution and women (and other low-income and irregular workers) are often the ones with most to lose under such arrangements. Social pensions are far more inclusive of women.

Social Sector Restructuring and Commercialisation Shift the Burden of Care to Informal and Unpaid Care Providers

When public services are under-utilised (because of inability to pay or low quality services) some of the unmet need for welfare is shifted onto families, which means a greater burden of unpaid work for many women and girls.

It is difficult to show this empirically, because time use surveys are relatively new and usually one-off exercises, so one cannot capture changes over time. Nevertheless, there is now evidence from the surveys to show that the provision of unpaid care is unequally divided between women and men. Care is one of the factors contributing to women's disadvantages in the market economy. Care is also central to human flourishing, to social development, and to accumulation. However, the informal care economy is an area that remains marginal to the concerns of mainstream policy actors, always taken for granted and called upon to provide the ultimate safety net when there is some kind of economic crisis.

Only under exceptional circumstances is any explicit attention paid to women's unpaid care work. This is most notable in some developing countries facing the HIV/AIDS pandemic, where there is an enormous squeeze on resources to care for sick people. Otherwise, policy actors often assume that "families" and "communities" (i.e. women within those units) will continue to provide care. Or, as in the case of conservative and religious-based movements and policies, they reinforce women's caring duties as part and parcel of their ideological crusades to restrict women's autonomy and choices. There are limits to the coping capacity of families and communities i.e. to the coping capacity of women and girls.

Developmental or Productive Welfare – Is Unpaid Care seen as Productive?

Thandika Mkandawire laid out persuasive arguments for why social policy must be seen not only for its redistributive and welfare contributions, but also for its productive potential, contributing to capital accumulation and catch-up in less industrialised countries. But it is also important to see how the concept of "developmental" social policy is being used by policy actors in different contexts to privilege certain kinds of programmes and de-legitimise others.

The "active welfare" strategy in Sweden that encouraged women to enter the work force

- provided "good" (well protected) jobs, and
- decent public care services.

This is very different from the more punitive "workfare" type policies (e.g. USA)

- that push mothers into the workforce,
- often into low wage and dead-end jobs, and
- in the absence of accessible and decent care services they have to scramble together informal care substitutes which may be far from ideal from the point of view of the person/child who is cared for.

In South Africa critics see the concept of 'developmental welfare' as a thinly disguised cover for a normative choice that sets up

- a "two-tier" system of benefits, with people in work-related programmes (public works programmes) treated as "deserving poor"
- and those on welfare (and particularly mothers drawing the Child Support Grant), as passive subjects or cunning exploiters of the system (getting pregnant to claim grants).
- in other words, context matters!

Children as Good Investments

Children are an important constituency of the new post-neoliberal "social investment state" – because investing in their opportunities (compared to those of adolescents, adults, and the elderly) is likely to reap the highest pay-offs in the future:

- This has a positive outcome: increasing emphasis on child and family benefits.
- In the EU, even as countries were retrenching and cutting back on social expenditure, in the mid-late 1990s, this was one area that experienced growth.
- Also increasing attention to children within developing countries, especially in the form of conditional cash transfers.

It is important to have emphasis on *investments in opportunities* is future-oriented investments. Women are primarily positioned as a means to secure programme objectives; they are a *conduit of policy*, in the sense that resources channelled through them are expected to translate into greater improvements in the well-being of children and the family as a whole (Molyneux).

The politics of Gender and Representation

Women, especially low-income women, have an interest in redistributive social policies, and policies that facilitate their labour market entry and the provision of services, especially care services. Are these interests being reflected in political decision-making?

Over the past decade or so, there has been considerable experimentation with affirmative action measures, especially quotas, to enhance women's chances of winning in elections. As a result, the average proportion of women in national assemblies almost doubled between 1995 and 2005 at an aggregate level; from about 8 percent to 16%. Did this facilitate the articulation of women's interests in economic and social policies? It is too early to give definitive answers but there are concerns among women's rights activists that the debates about quotas and other affirmative action mechanisms have been more or less separate from debates about the interests that women politicians ought to be representing once in parliament.

Rapid inclusion into political institutions through mechanisms such as quotas has many advantages. However, if these are delinked from collective mobilisation on the one hand, and intensive debate about the meanings of equality and the desirable outcomes of policy for women on the other, they can act as a brake on more transformative feminist ambitions.

Shireen Hassim makes a useful distinction between "thin" (weak) and "thick" (strong) forms of women's representation.

- "Thick" forms of female representation would influence decision-making in regard to national budgets, and priorities of government policies skewing these in ways that would redress social and economic inequalities;
- whereas thin forms of representation do not foster strong links between elected representatives and constituencies of women, nor any serious efforts to create the necessary policy conditions for the removal of gender inequalities.

Related to the point above, we need better understandings of democracy that go beyond supporting multi-partyism and the numerical increase of women in national parliaments. Both of these are, of course, important prerequisites for reducing gender inequalities, but they need to be buttressed by deeper levels of political participation. This would include developing the capacity of women's organisations and civil societies in general to interpret and articulate the needs of different constituencies of women in policy terms. It would also include more strategic use of political parties as vehicles of representation by pushing for social policies to become electoral issues.

5. Session II: Investing in People – Social Protection for All

Social protection and Redistribution

Karl Ove Moene, Professor of Economics, Department of Economics, University of Oslo

When welfare states are least developed, they are most needed.

In my presentation, the term ‘social insurance’ will be used to mean *social policy or social safety, looking at social interventions broadly* and in relation to growth. I will discuss critically a number of statements economists often make.

Economists can be criticised for

- Viewing growth and equitable development as two sides of the same coin. However, this can be looked at differently, acknowledging that development is more than economic growth. It is nevertheless interesting to examine how social policies affect growth, although social policies can clearly be defended even if they do not contribute to growth.
- Viewing welfare states as a machinery for distribution, but paying less attention to the provision of services that is not provided by markets, or the need for market corrections. Welfare states provide services that are not provided by the market, and social insurance is a contract paid for by taxes and work better for the poor than the rich.
- Forgetting that there is also an impulse from earnings to productivity, especially in developing countries (and not only from individual productivity to earnings). An obvious example is that adequate nutritional levels will contribute to increased productivity. If productivity is low, earnings will be low, and so productivity will be even lower, leading to a poverty trap. In other words, there are at least two equilibria: low productivity-low earnings, and high productivity-high earnings. Redistribution of land or health care to those in greater need or to those who value it more, may in fact also lead to higher overall productivity as well as improved welfare. Without social insurance, the result can be long lasting negative effects on social indicators such as health. Social insurance should be used to prevent global shocks such as diseases and famine.
- Not paying sufficient attention to the need for social protection in times of creative destruction (i.e. structural change/development). Economists do not see the complementarities between public and private sector, and that also financial institutions depend on and benefit from social insurance, as risk is reduced. If you run a bank, whom would you lend out money to, one with social insurance or one without? Of course, you would choose the one with the insurance. Sometimes economists do not see this.
- Another fact is that equality increases the process of creative destruction as wages become more distributional. Compressing the wages of the elite will actually accelerate the process of modernisation.
- Cross-country studies have shown that the relationship between life expectancy and income per capita is positive – people live longer with higher incomes. However, this relationship is distorted when controlling for redistribution, because there are more social policies in richer countries than in poorer ones. An important reason for this distortion is that social policies are important to make people live longer, and more important than income.

- Is there really an alternative to social policy/protection? Every country has informal welfare or social protection systems, e.g. extended family and other informal schemes. However, the pool will be small (limited resources and users), there will be high implicit taxes within families, and such systems will create less mobile societies.
- What kind of social policy will best serve poverty reduction? Some would think it is targeted policies, which are typically supported by right wing politicians. However, such systems are not politically sustainable; they will not get a majority vote. Sustainable systems can only be achieved with universalistic policies. Economists underestimate this need for political support.

In Europe, the question has been ‘how to include the middle class in the welfare state’. In Latin America, however, it has been ‘how to exclude the poor from the welfare state’? Nordic countries were poor when social policy measures were introduced, but they understood that productivity produces earnings and vice versa. The Nordic middle class typically has more common interests with the poorer segments of society because wages have been compressed. They live in the same buildings, walk in the same streets, and their children go to the same schools. This suppression of the middle class lifted up the worst-off in society. Compressed wage policies were in response to global markets. Social insurance was to protect against the uncertainties of the work markets. It led to higher profits and more investments, ultimately leading to social policies that cover the population more broadly.

The Human Rights Approach to Social Justice: Social Protection in South Africa

Vusi Madonsela, Director-General of the Department of Social Development, Ministry of Social Development, South Africa

The concept of ‘social justice’ is extremely important in a South African context. It is central to understanding and interpreting the role and obligations of the state towards citizens, and when social policy interventions from government departments are considered. There is a direct link between social justice as a guiding notion and principle (understood primarily as tackling extensive multi-dimensional poverty) and how the state through its departments formulates and implements social policies.

The South African Constitution is founded on values including non-discrimination. The Bill of Rights uniquely includes Social and Economic Rights. They are judicial in South Africa, whereas in other countries they often are not considered as such. The South African Constitution and human rights institutions established under the constitution are the main points of reference when issues of human rights, social justice and state intervention in social problems through social policies are considered. The state must respect, protect, promote and fulfil the rights in the Bills of Rights, and the Bill of Rights applies to all law, and binds the legislature, the executive, the judiciary, and all organs of state. The South African Human Rights Commission has a specific role with regards to social justice and policies from government departments.

The preamble of the Constitution focuses on healing the divisions of the past. The government should strive to heal the divisions of the past and establish a society based on democratic values, *social justice* and fundamental human rights, and should improve the quality of life of all citizens and free the potential of each person. We need to provide what the apartheid

regime did not provide to the people. It is a moral obligation. The preamble includes the human dignity, the human freedom and freedoms, and it includes that the state is obliged to respect, protect, promote and fulfil the rights in the Bill of Rights.

Past minority governments and the apartheid regime pursued active political and social policies which, amongst other things, have led to extreme levels of poverty and disease in the rural areas; the creation of urban ghettos where people have been denied even the most basic means of survival as a result of severely limited access to decent homes, electricity, water-borne sewerage, tarred roads, and recreational facilities; an education system preparing the majority of South Africans for lives of subordination and low wage jobs; a social security system geared almost entirely to fulfilling the needs of the white minority; a health system that has seriously neglected the well-being of most South Africans; the social and political marginalisation of the majority of people, the African community in particular, through their exclusion from public life and decision making as well as the denial of their culture.

The Constitution provides for several social and economic rights: on housing, health care, food, water, and social security. Regarding 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’. Regarding 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’.

The state has to be seen increasingly to make sure that the rights are fulfilled, it cannot put priority on other things instead of this, only in addition to this. The rights should be progressively realised. Our Constitution is very clear on what our duties and responsibilities towards citizens of this country are. As government departments we cannot do differently as our task is clearly defined and stated in the Constitution. When you place the South African Constitution in front of you it tells you in a very unambiguous way how as government we must deal with poverty in its many aspects, as this poverty continues to affect, not just thousands, but millions of our people. The issues of social justice and the improvement of the quality of lives of South Africans are key issues.

The rights in our constitution are without meaning if we have people going to bed hungry, people who are homeless or live in shacks, and people who cannot get quality health care when they need it. Social justice is about making sure that all South Africans enjoy the human rights we hold as basic and fundamental.

The court has taken an active role to enhance a progressive realisation of the human rights. According to the National Judges’ Symposium Statement of 16 July 2003, the ‘vision of our Constitution is to establish an open democracy committed to social justice and the recognition of human rights. It seeks to ‘improve the quality of life of all citizens and free the potential of each person’. The symposium noted that *while many millions live in deep poverty, this vision cannot be achieved*’.

The South African Human Rights Commission plays an important role in the realisation of the rights such as the rights to housing, health etc. It says that the ‘South African Human Rights Commission must promote respect for human rights and a culture of human rights, promote the protection, development and attainment of human rights, and monitor and assess the

observance of human rights in the Republic'. 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.

Departments formulate their policies on the basis of the Constitution and Social and Economic rights. One example is the housing rights. '*A New Housing Policy and Strategy for South Africa*' (1994) is 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'. In '*A Social Housing Policy for South Africa: Towards an enabling environment for social housing development*' (2003) a key principle to guide housing policy and strategy is 'restoring and furthering human dignity and citizenship' and the policy 'must operate within the provisions of the Constitution'.

Other relevant papers are the White Paper for Social Welfare and the Building a Caring Society Together – The Road to Social Development. The *White Paper for Social Welfare (1997)* includes 'relevant objectives of the Constitution of the Republic of South Africa and the Reconstruction and Development Programme'. The department's interventions 'will be based on respect for human rights and fundamental freedoms as articulated in the Constitution of the Republic of South Africa' and 'a comprehensive and integrated social security policy is needed to give effect to the Constitutional right to social security'. As regards the Department of Social Development's '*Building a Caring Society Together - The Road to Social Development (From June 1999 - March 2001)*', 'the government is committed to the agenda of social transformation that is embodied in the principle of social justice and the Bill of Rights contained in our Constitution'.

The three key anti-poverty pillars in South Africa are social grants, social welfare services, and community development. Social wage is public expenditures for free education, free water, free health care etc. for people who cannot afford it. The old age pension scheme is now universal in South Africa – old people receive it whether they have made a financial contribution or not. South Africa also has several social welfare services that are provided in addition to the cash transfer systems.

Growth and Development in Zambia – What Role for Cash Transfers?

Olav Lundstøl, Country Economist, Royal Norwegian Embassy, Lusaka, Zambia

The socio-economic situation in Zambia is in a 'development crisis'. This is seen from the high HIV/AIDS prevalence (16%), maternal mortality, under-fives mortality, chronic malnutrition, and a life expectancy that has declined from 53 to 37 years in a short time period. Zambia has 1.1 million orphans and more than half the population living in extreme poverty.

This is a result of a failed development strategy, low growth, and lack of a social policy with redistribution. There has been a reduction in the *poverty elasticity of growth* (i.e. the extent to which growth leads to poverty reduction) from 0.5% in the 1990s to 0.2 - 0.3 in the 2000s. There is no such thing as 'trickle down, one to one'. On the other hand, there are three things

that decide the development impact of growth: 1) its rate, 2) composition, and 3) level of redistribution. The so-called choice between ‘trickle down’ and redistribution is a false one – redistribution secures and builds human and productive assets, reduces inequality, and enables higher and pro-poor growth.

There are at least two arguments for social protection: 1) Human rights and citizenship as a justification for social protection to ensure a certain standard of living and equal opportunities, 2) Economic and productive efficiency is affected by market failures (credit, saving, insurance, health, education) that social protection can address.

In Zambia, subsidy and in-kind social protection measures control the redistribution agenda and the funding allocations. These measures constitute a prime political instrument in Zambia as in many other Least Developed Countries in Africa. The largest of these in-kind social protection measures (maize) have been highly ineffective in reducing risk and alleviating poverty. They benefit the non-poor and have been closely linked to the building up of the debt crisis in Zambia.

Will a new breed of social protection instruments follow from the Kalomo social cash transfer pilot that was initiated in 2003? This pilot is tailor made to match characteristics of the target group, i.e. the 10% poorest Zambian households with high dependency ratios and labour constraints. Through pay points, the households receive monthly cash transfers of 10 USD, equivalent to a 50 kg bag of maize. The purpose is to reduce the incidence of extreme poverty and hunger.

The households are reached through community selection and a hierarchy of committees. Evaluations have shown that the cash has been delivered on time with relatively low administrative costs. The transfers have been used for consumption (68%), investments (25%), and savings (7%), and have had impacts on areas such as education, health, nutrition, and social status (e.g. begging).

There are on-going efforts to establish a national social protection system in Zambia. There is a social protection chapter in the National Development Plan for 2006 – 2010. Five or six pilot projects using different approaches to cash transfers (targeted or universal systems) have been established. An independent monitoring and evaluation system focussing on impact and cost-effectiveness has been started. However, Lundstøl argued that more evidence is needed to address the fundamental issue of supply versus demand constraints (unconditional versus conditional transfers) with regards to social service utilisation.

Simulations have shown that national scaling up of cash transfers without means testing could have significant impacts on consumption and poverty reduction, and be cost effective (costing 0.5% of GDP and 1.5% of public expenditures). Means-tested transfers would be most cost effective if focused on the poorest households with children or the poorest households overall.

The Norwegian aid policy and embassy portfolio is currently focussed on traditional social sector interventions, and not on social protection. Lundstøl stressed that Norwegian aid policy and practice should move beyond a ‘trickle down’ perspective to recognising the role of social protection in reducing risks and improving equity, to enable growth and development.

Health Insurance and Health Financing in Rwanda

Assia Brandrup-Lukanow, Adviser to the Health Metrics Network, World Health Organisation, and former Director, Division for Health, Education, Social Protection German Technical Cooperation (GTZ)

Rwanda is a low-income, landlocked and mountainous country, densely populated with 340 people per square kilometre. It is just coming out of the traces of the 1994 genocide, and almost the entire population (90%) is engaged mainly in subsistence livelihood.

Some of the country's challenges include a return to at least the pre-genocide economic growth rates, reducing the high fertility rate of 5.9%, diversifying the economy (currently monocultures for earning of foreign currency: coffee, tea, pyrethrum) and attracting foreign investment. The poverty headcount declined from 60% in 2001 to 57% in 2006. However, poverty in rural areas remains high: 62.5% in 2005/06. There are also signs of increasing inequality – with the Gini coefficient rising from 0.47 to 0.51 over the same period.

Opportunities can be found in the economic growth rate of 7.2% (2005), as well as in a large flow of funds into health sector and for health systems support. The Global Fund for Aids, Tuberculosis and Malaria (GFATM) has a specific grant for Health Systems Strengthening which provides the country with USD 30 million over a 5 year period.

The burden of diseases is reflected by the fact that of the mortality per 100,000 , 1200 deaths are due to communicable diseases, maternal and perinatal conditions, and malnutrition; 281.4 are due to AIDS; 65.9 to TB; 35.8 to malaria; whereas 2854 deaths per 100,000 are due to non-communicable diseases.

Health expenditure in Rwanda has increased over the years, from 4% of GDP in 2000/02, to 6.6% in 2003 and 10% in 2005. The contribution of donors and other external parties constituted 42% of total health expenditure in 2005.

There is a recent (2005) legal basis for insurance schemes, and enrolment is compulsory for all those not covered by other health insurance systems, e.g. for civil servants, prisoners, or others. The health insurance coverage, still under 7% in 2003, increased dramatically to 70% in 2007. In numbers – this means that 7 million people are covered. The number of 'mutuelles' has increased gradually from 88 in 2003 to 392 in 2007 (e.g. one for every health centre).

The payment/contribution (a flat rate that is not dependent on income) is more of a tax- than an insurance payment; the 'mutuelles' resemble a parastatal organisation more than an insurance company.

How it works:

The 'cellule' identify the very poor people in its area to the sector and then to the district. The district mayor then sends requirements to the Ministry of Health, which furthers it to the 'mutuelle' administration, which executes the bank transfer. Members pay into a district pooling mechanism and the districts then reimburse hospitals upon billing. The district distributes the funds to the sectors, which repay health centres upon billing.

The annual cost of the insurance is about USD 2, an amount deemed reasonable, and a further USD 2 can be paid for a 'complementary package'. The GFATM currently pays basic and comprehensive packages for 1.5 million indigents and orphans, and 270,000 people living with HIV/AIDS. The rationale for the Health Systems Strengthening support arose from the under-utilisation of services. A large part of the population was unable to pay and perceived the quality of services as not justifying the personal expense. 'Mutuelles' members, however, had 3-5 times higher utilisation rates. Nevertheless – an estimated 50% of people living in extreme poverty (1.85 million) have to fund their health care.

Challenges to this still very young insurance system to date are: a) community participation is limited to raising awareness about rights and enrolment of members, b) it is difficult to identify the very poor, c) there is lack of technical capacity in 'mutuelles' (with only 6 staff at central level), and d) lack of a management information system hindering the costing for health services.

A mid-term evaluation has shown a 20% increase in the utilisation of services at all levels. As one indicator, the TB detection rate is now at 49% as is the TB case treatment completion rate. There has also been a decrease of general mortality at health centre level.

The satisfaction of the beneficiaries is very high – they utilise the services more than before. -
-Service levels have also improved. However, there has been no in-depth survey yet.

In conclusion; increasing the public financial contribution to insurance rather than increasing the services improves the uptake in utilisation of services, and thus leads to higher disease treatment rates and to a reduction of morbidity and mortality.

Brandrup-Lukanow's suggestions are: a) government should move from financing more health service to demand side financing (user - based health insurance premium), b) modes of financing should be designed in partnership with Government and donors to mobilise additional resources, to cover the rest of the population (27%), and c) pilot of health financing using soft loans.

Can developing countries afford social protection?

Krzysztof Hagemejer, International Labour Organisation

Whether or not developing countries can afford social protection depends to a large extent on political willingness, and thus affordability is not an objective economic concept.

Social security is a human right established in international conventions and standards such as the Universal Human Rights Declaration Art 22 and 26, the international labour standards like the ILO Convention 102 on Minimum Standards in social security and other relevant ILO Conventions, the European Code of Social Security, and other international instruments.

However, after 60 years this human right remains a dream for 80 per cent of the global population. Poverty levels are unacceptable with 80 percent of people live in social insecurity and 20 % in abject poverty.

At the same time we know that social security:

- reduces poverty and income inequality by at least 50 per cent in almost all OECD countries
- enhances productivity and generates growth
- is indispensable part of institutional tissue of any efficient market economy
- promotes peace, stability, and social cohesion through social justice

The cost of keeping people excluded may be very high, and we know that even basic social security packages would bring a change – and that it would be affordable in most cases. It is still underutilised in most global and national anti-poverty/development strategies.

How much social protection is affordable?

OECD countries spend between 10% and 30% of GDP on social protection. Usually these countries spend between one third and half of total public expenditure on social protection. In countries that are younger demographically and less developed, it is basic education and health which dominates public social expenditure. In ageing OECD countries, pension expenditure dominates and health follows.

Countries at the same level of economic development differ significantly in how much they spend on social protection. There is no necessary link between economic performance and the size of the national social protection system. This size is shaped mainly by political attitudes towards redistribution.

Affordability is thus a function of the societal willingness to finance social transfers through taxes and contributions. And this willingness is shaped to a large extent by how the publicly financed social protection systems perform in meeting their policy objective.

Can low-income countries afford to have social security? ILO has undertaken costing studies on basic social protection packages in low-income countries - seven countries in Africa (see Pal *et al* 2005) and five in Asia (see Mizunoya *et al* 2006)⁵. It examined different scenarios based on alternative assumptions, and looked at projections over the next 30 years.

The question then becomes: Can low-income countries afford NOT to have social security?

- There is ample evidence that investments in health care, education, and properly designed cash transfers have positive economic and social effects in countries at any stage of development.
- There is also already plenty of knowledge of which social groups are vulnerable and what their needs and priorities are.
- The choice of policy instrument to meet these needs and priorities is also well known (various cash transfers and mechanisms assuring affordable access to health and education}.

⁵ Pal, K.; Behrendt, C.; Léger, F.; Cichon, M., and Hagemeyer, K., 2005: Can Low Income Countries Afford Basic Social Protection? First Results of a Modelling Exercise, Issues in Social Protection Discussion Paper 13 (Geneva: International Labour Office),

<<http://www.ilo.org/public/english/protection/secsoc/downloads/policy/1023sp1.pdf>>

Mizunoya, S.; Behrendt, C.; Pal, K., and Léger, F., 2006: Can Low Income Countries Afford Basic Social Protection? First Results of a Modelling Exercise for Five Asian Countries, Issues in Social Protection Discussion Paper 17 (Geneva: International Labour Office),

<http://www3.ilo.org/public/english/protection/secsoc/downloads/1527sp1.pdf>

- Various simulations show the impact these instruments would have on reducing poverty and vulnerability.

The conclusions for affordability are therefore:

- Social security is not only a desirable, effective mechanism for poverty reduction but also an affordable one.
- Eventually, however, affordability depends on political will to reallocate available domestic and donor resources.
- Coordinated forward-looking national social protection policy strategies should sequence development of different elements of the basic social protection package: basic social floor (see box below).
- Capacity should be built in coordinating government agencies, line ministries, and then at local level in areas like social protection development, analysis and design, as well as in administration of social protection programmes

ILO is mandated to work for a Global Social Floor to achieve that:

- All residents have access to basic/essential health care benefits through pluralistic delivery mechanisms;
- All children enjoy income security at least at the poverty level through various family/child benefits aimed to facilitate access to nutrition, education, and care;
- All residents of active age unable to earn sufficient income due to sickness, unavailability of adequately remunerated work, loss of breadwinner, care responsibilities etc., enjoy income security at the minimum level through a combination of basic social insurance, social assistance, and employment policies interventions;
- All residents in old age or with disabilities enjoy income security at least at the poverty level: through pensions for old age and disability.

Comments by:

Elizabeth Jareg, Save the Children, Norway

Seen through the eyes of Save the Children, social protection does **not** seem to be affordable, at least when one looks at practice where the social sector seems to be the least funded one. However, this may be due to unwillingness or lack of priority.

In spite of encouraging reports of economic development in many developing countries, and decreasing numbers of armed conflicts, there seems to be a relentless spiral downwards; Families that previously were able to cope now become unable, not least because of AIDS. Young people, both boys and girls, are increasingly becoming landless, homeless, and jobless.

Although in several countries, including Northern Uganda, Save the Children has livelihood programmes linked to child protection activities, they only reach a small proportion of those in need, and cannot fill the gap left by the lack of social protection services. There are good reasons to recommend stronger links between social protection and child protection (defined as ‘measures and structures to prevent and respond to abuse, neglect, exploitation, and violence affecting children’). Social protection would, for example, enable more children access to education, a strong protective factor. Effective social protection measures could lead to more intact, functioning family units. Poverty is most keenly felt at the household level.

Shocking levels of violence should be recognised in all social protection policies and interventions.

Essential elements in a national strategy to prevent and respond to violence are:

- Ongoing public education
- Research to develop evidence-based programmes
- Law reform and policy development

Thus child protection goes beyond the economic dimensions of social protection as well as protecting and supporting the social capital represented by the young generation. In other words, it deals with implementing the rights of the child.

Following these two presentations, Thandika Mkandawire and Karl Ove Moene joined the panel for a debate on affordability. They were asked to answer 'yes' or 'no' to the question debated.

Thandika Mkandawire argued that social protection is affordable, or at least that it should be. It is a matter of mind set, but we need to build in policies. Instead of asking whether social protection is affordable, the question should rather be: How many years would it take for a country to move from A to B and which steps should be the first ones to take? That is, what can be done *now* to reach a universal level of protection in the future?

Kalle Moene argued that it is affordable in some countries, such as South Africa and in Latin America, while in other countries it might not be, especially in many countries in Sub-Saharan Africa, as it would require 50-100% of the tax income. Nevertheless, he stressed, half of the developing countries can get rid of poverty by having the right policies in place.

6. Final Session: Now What? Challenges ahead for the development agenda

Thandika Mkandawire from UNRISD started this session by summing up the main messages coming from the conference:

- It is important that Nordic countries remember their history, but also their present situation and the steps that took them to where they are today. On this basis, Nordic countries can promote a way of thinking.
- Social policy in developing countries is about moving from A to B. Where are we, where do we want to go, and how do we get there?
- Thinking about social policy as ‘producing productivity’ is useful and interesting.
- Global indicators on social policy are needed to indicate if a given country is on the right track.
- More research is generally needed on social policies in developing countries.
- Engineers and not economists run the fastest growing economies in the world, such as China. One should not leave social policy development to economists. Economists are not good at mobilising finances!
- History is important. The experiences from South Africa, Zambia, and the Nordic countries show that there is no standard package to follow. However, it is important to learn from others.
- Each country should develop their own capacity for self-analysis, as well as developing their democratic space to carry it out. There is more democratic space in many countries now e.g. in Latin America, and this space should be used.

What does civil society say?

Prior to the conference, we asked three organisations to come up with short answers to the following three questions:

- 1) How would you like to challenge Norwegian development policies?
- 2) How would you like to challenge your own organisation and other NGOs?
- 3) What should the international community do?

Marianne Rønnevig, UNICEF Norway

1) How would you like to challenge Norwegian development policies?

Social protection as a system for supporting the most vulnerable and the poorest of the poor within society is the norm in many European countries, including Norway. We challenge the Government of Norway to invest in and promote comprehensive social protection strategies/systems/framework for developing countries. For example cash transfer schemes have proved their effectiveness in reducing the poverty gap, especially for the most vulnerable children and poorest households. Experiences indicate that for cash transfer schemes to have sustained impact they need to be scaled-up and institutionalised. And for this to happen we need strong political commitment.

2) How would you like to challenge your own organisation and other NGOs?

We challenge UNICEF to develop a global policy on UNICEF's involvement in social protection, including for children. We should all support the governments in implementing schemes and help them build their own capacity that is self-reliant from a national perspective.

3) What should the international community do?

The international community should support the governments in developing countries to develop and implement social protection strategies. This includes building capacity, advocating for budget allocation from revenue, and providing the initial financial support to start up the various social protection initiatives.

Trond Sæbø Skarpeteig, Food First International Action Network (FIAN) Norway

1) How would you like to challenge Norwegian development policies?

Norway should make social cash transfers a central policy element both with a view to achieving the MDGs and as a necessity under human rights. Norway should support the human rights based monitoring and advocacy done by civil society, piloting innovative programmes such as universal basic income schemes, establishing proper tax systems, and securing long term financial commitments for budget support - possibly through an international fund.

2) How would you like to challenge your own organisation and other NGOs?

As an International Human Rights organisation for the right to feed ourselves, FIAN (Food First Information and Action Network) has for several years been advocating universal welfare schemes in countries such as India. India has excellent laws on social security, but far from enough has been implemented, leaving more than 1/3 of the population hungry and malnourished. National and International NGOs should insist that states, individually and through international cooperation, build up human rights based social cash transfers for hundreds of millions of absolutely poor and malnourished persons who are still denied their human right to social security. FIAN and other NGOs should give a higher priority to social cash transfers and other social protection systems. Empirical data should be collected and country case studies should be conducted on existing social security systems in countries such as Brasil, Mexico, Namibia, South Africa, India, and Sri Lanka.

3) What should the international community do?

The international community should promote social security systems to fight hunger and poverty, and make sure that a human rights based approach is applied. A rights-based approach is necessary to minimise corruption and bribery, and enhance the implementation of social cash transfers and other universal programmes.

Chris Mzembe, Plan International Norway

1) How would you like to challenge Norwegian development policies?

Social protection is a promising intervention that is 'high-impact-cost-effective' regarding addressing chronic poverty. It has comparably superior results that bring 'value for money' in social investments if compared to investments with similar goals. The Norwegian government should demonstrate commitment to and solidarity with marginalised groups by leading the way among international government actors. In the short to medium term, social protection mechanisms are implementable within the set targets in MDG 1. In fact good progress in MDG 1 would enhance progress on the other goals as well. The Norwegian government has enviable leverage through bilateral cooperation as well as other mechanisms such as DAC. This influence needs to be utilised to the maximum possible.

2) How would you like to challenge your own organisation and other NGOs?

NGOs need to reflect on their exact role in relation to social protection. For example: what are international NGOs accountable for, and to whom? A human rights based approach to development implies the existence of many levels of duty bearers and thus, as actors in their own right, NGOs also have implicit co-responsibility as duty bearers. NGOs are more than just a “voice for the voiceless” but also effective channels for development resources. However, NGOs need to resist the temptation to take over government service delivery. At the same time, there should be sufficient impatience, even anger, at sluggishness. NGOs need to strengthen their methods and help generate the evidence that governments desperately need in order to develop courage and confidence to try different ways of addressing vulnerability. The prevalent mode whereby NGOs attempt to substitute - even antagonize - public service providers is misdirected. It is certainly a detractor. Where gap filling is necessary, it should be complementary to existing service delivery mechanisms. However, there should always be a long term orientation by investing in capacity building at all levels. It is absolutely necessary, but no longer sufficient, to help individual children or their families with meeting specific needs. NGOs would be failing in their duty if they fail to facilitate meaningful participation by the vulnerable, together. To be better organised and informed about their rights is a capacity that the vulnerable need for a meaningful engagement with institutions that represent the state as the primary duty bearer. It is a win-win scenario for both the government and those being governed. It transcends “taking sides” with the poor. Unfortunately, this understanding is still lacking – not just among public actors, but among NGOs as well.

3) What should the international community do?

Social protection is principally more of a political question than an economic one. The international community has a duty to help generate motivation and political commitment among political actors and technocrats in nations where chronic poverty and inequality still persist. Political actors and technocrats need education and re-education in order to make the correct political choices and deliver efficiently. In addition to making more resources available through development cooperation, there is also a need to provide appropriate capacity support to governments, aligning it to their obligations according to international consensus. Priority should be given to how to design, manage, target, and monitor. For example a focus on children and women (who constitute the largest majority of those who are poor and vulnerable) sounds like common sense. But it is not a common understanding. Even when publicly acknowledged, actions do not show just a serious lack of understanding. They show a total lack of commitment. A good case in point is that government ministries and departments which deal directly with the vulnerable groups are the ones that have the least capacity; and do not receive allocations in the national budgets commensurate to their role. Such departments and ministries include ministries/departments of Social Welfare and Local Government. Targeting and monitoring are important because similar experiences elsewhere (e.g. provision of housing) have shown that the intended target groups did not benefit as much as was desired. In other words, increasing the amount of donor aid is important. But it is not sufficient on its own without the necessary education, delivery mechanism, and an effective monitoring mechanism that is capable of telling that something is going wrong. There is no monitoring that would ever be effective without the involvement of those that need to benefit from an intervention. As right such participation is an end but also a means to ensure effectiveness and efficiency. This is a task that NGOs have comparably better experience in. Therefore, the choices of funding mechanisms for development assistance need to bear this important point in mind. NGOs need adequate resourcing to carry out their complementary role.

Ylva Sörman Nath, Sida

Sida has just finalised a position paper on social security, which will be part of a holistic social policy paper still to be written. The position paper on social security systems is linked to Sweden's Policy for Global Development, 'Shared Responsibility'. Important principles include a rights-based approach, the perspective of poor people, people as actors, ownership, gender equality, equity, and a life - cycle perspective ('from cradle to grave').

The position paper outlines some future priorities for Sida:

- Primarily support governments in their responsibilities for social security systems.
- Support the establishment of the necessary administrative and financial structures for social security systems.
- Support civil society as implementer, activist, and good example in social policy issues.
- Support social security systems as an integrated part of an active employment policy.
- Support the development of social service activities
- Support higher education within the social policy and social security areas.
- Support research within the social policy area.
- Continue the normative work.
- Support global and regional actors in the field.

In terms of implementation, the paper stresses the need to strengthen the dialogue with partner governments, i.e. through budget support or sector support, and to help strengthen relevant line ministries as well as the Ministry of Finance. Among the challenges are the questions of how to marry 'the economic' with 'the social' for a just, sustainable, and equitable development. Another challenge is how to make donors set social policy on the agenda and scale-up their support to this important area.

7. Closing remarks:

Poul Engberg-Pedersen, Director-General of Norad

Engberg-Pedersen started his closing remarks by referring to the question of 'how': To what degree shall we determine the how of social protection in individual countries? He said that, for example, the need for cash transfers had been put forward at this conference, but that we should be careful to decide from the North what should happen in the South. Cash transfers and other particular social protection measures should be pushed only if pushed by countries themselves, in particular by their governments. The Director-General pointed to the role of civil society, stating that Norway is currently experimenting with direct support to civil society in the South. Social protection is an area where there is a need both for direct support to civil society in partner countries and an area where Northern NGOs can play a protective role.

He pointed to the fact that the Millennium Development Goals do not cover political issues such as social policy or social protection. We should make every effort to achieve the Millennium Development Goals but key issues such as social protection demand that developing countries and we as their partners pursue complementary strategies and actions as well.

The Director-General stated that comprehensive and holistic thinking is indeed important, but that holistic implementation tends to fail and one should therefore focus on concrete interventions. He referred to Norad's first results report that was published in November 2007, which shows that we obtain the best results in development cooperation when we combine a focus on broad policies with concrete implementation measures, as we do, for example, in sector programmes.

He said he had enjoyed the conference, also because it reminded us about our own history. He wondered whether we (as a Nordic country) have forgotten to make social policy explicit in our development cooperation because it is 'common sense' to us due to its strong place in our own history. At the same time he reminded the audience that Norway should not forget its own capacity constraints, and therefore should not necessarily take a leading role in the area of social protection.

The Director-General's conclusion was therefore that Norway should concentrate on influencing the politics of social protection, and use mechanisms such as budget support as a dialogue platform to push social policy in development cooperation.

Annex 1: Conference agenda

Comprehensive Social Policies - Fighting poverty through investing in social protection

Norad, 20 November 2007

08.30-09.00	Registration, coffee and tea
Opening session	Welcome and Introduction
09.00-09.15	Minister of the Environment and International Development Erik Solheim
09.15-09.30	Norad (by Per Øyvind Bastøe and Eva Kløve)
Session I	Social Policy in a Development Context
09.30-10.00	Social Policy in a Development Context, Thandika Mkandawire, Director, United Nations Research Institute for Social Development (UNRISD)
10.00-10.30	Gender and Social Policy in a Global Context, Shahra Razavi, Research Coordinator, UNRISD
10.30-11.00	Plenary comments, questions and answers
11.00-11.15	Coffee and tea
Session II	Investing in people - Social Protection for all
11.15-11.45	Social Protection and Redistribution, Professor Karl Ove Moene, Department of Economics, University of Oslo
11.45-12.15	Plenary comments, questions and answers
12.15-13.15	Lunch
13.15-13.35	Case: A human rights based approach to social protection, Director-General Vusi Madonsela, Ministry of Social Development, South Africa.
13.35-13.55	Case: Social Cash Transfers in Zambia – What links to poverty reduction? Olav Lundstøl, Country Economist, Royal Norwegian Embassy, Lusaka, Zambia

13.55-14.15 Case: Social Health Protection – Community-Based Health Insurance in Rwanda, Assia Brandrup-Lukanow, Adviser to the Health Metrics Network

14.15-15.00 Plenary discussion of country cases

15.00-15.15 Coffee and tea

15.15-16.15 Can developing countries afford social protection?

Introduction by Krzysztof Hagemeyer, ILO, followed by panel debate with Elizabeth Jareg, Save the Children, Norway and earlier speakers

Final Session: Now what? Challenges ahead for the Development Agenda

16.15-17.00 Brainstorming session with all participants, including prepared inputs from UNICEF Plan, FIAN and Sida.

Summing up by Thandika Mkandawire, UNRISD.

Closing remarks by Norad Director-General Poul Engberg-Pedersen

17.00 End

Annex 2 List of speakers

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