

United Nations Development Programme (UNDP)

**Social Protection in an Insecure Area:
A South-South Exchange on Alternative Social Policy
Responses to Globalisation.**

**Inter-Regional Workshop
Beirut, Lebanon.
February 27th-March 1st, 2001**

**FIRST SESSION:
DISCOURSES ON SOCIAL POLICIES AND GLOBALISATION.
NORTHERN AND SOUTHERN PERSPECTIVES.**

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**“Can a South-South Dialogue on Globalisation and Social Policy
benefit from ‘northern’ debates and experiences?”**

February 2001.

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Introduction

It is with some humility that I draft this paper designed to inform a much-needed south-south dialogue on globalisation and social policy. I do so however because I believe that what we have learned during the past few years in the north concerning the relationship between globalisation and social policy does have important implications for such a southern discourse. I also do so knowing that the words and prescriptions for policy of 'northern' social reformists who are concerned to re-inject a case for equity into national and international policy are regarded with some suspicion in the 'south'. The words are either seen as a mask for social protectionism trying to defend northern welfare states which were made possible in part by the exploitation of the imperial epoch or as yet more western hypocritical moralising using the call for global social standards to exclude countries from the benefits of global trade. These suspicions are often justified. My position is a simple one. I believe now as I have believed for over 30 years in the moral case for trying to achieve more rather than less social equality between people both within and across borders. I believe that in the present period such a struggle must take place on a global stage. I also believe from evidence that there is no necessary trade-off between equity and economic efficiency.

What I have to say below is largely derived from the results of the five-year Anglo-Finnish GASPP Project that was set up specifically to examine the relationship between globalisation and social policy. That project has to date held four international seminars.

- The first, involving middle and high level participation from several UN agencies and the Bank as well as scholars for several continents, focused on the **governance of global social policy**.
- The second, involving international trade union and social movements spokespersons, focused on **global trade and investment agreements** and their implications for social rights.
- A third, which took place in late 1999 focused on the role of **INGOs and consulting, companies as subcontractors** in global social governance.
- A fourth took place in 2000 in India and focused on the **globalisation of social rights**. This enabled the GASPP network to be broadened to include many southern voices. A useful south-north dialogue on social policy emerged from this. An extract from that dialogue is added as an appendix.

Definitions of globalisation

I think some initial clarification is required about what we mean by both globalisation and social policy. Scholte (2000) has correctly argued that "due to irreconcilable definitions many globalisation debates are stalemated from the outset....Globalisation has been defined as .. internationalisation,

liberalisation
universalisation
modernisation/westernisation
deterritorialisation"

Scholte's preference is for the later: i.e. "social space is no longer mapped in terms of territorial space". Rather similarly Therborn (2000) has defined globalisation as "tendencies to a world-wide reach, impact, or connectedness of social phenomena or to a world-encompassing awareness among social actors."

The point for this seminar is I think to make the following distinctions:

- Between an increasingly interconnected world that is an empirical social fact and the **form** that this globalisation takes which is a matter of political choice.
- Between the **economics** of globalisation (which to **some** extent is a matter of fact with which governments have to deal e.g. positioning their county to take advantage of a global economy) and the **politics** of globalisation (which is **all** a matter of choice e.g. as between the existence or absence of international labour standards)

The global controversy that has been created by globalisation (Seattle, Prague, Davos) is not, largely, because of the shrinking of time and space that technological and other changes have facilitated but is largely because of the form that globalisation has taken in the 1980's and early 1990's: the fact that it

has been driven politically by a faith in unregulated markets and trade. **It is the neo-liberal character of globalisation that is the issue.**

The scope of social policy

Social policy can be regarded as those interventions by governments and other actors (at national and supranational level) to intervene in the free play of market forces to **redistribute** resources from those that have more to those that have less, **regulate** the economy in ways which enhance its social purpose, and ensure access to social **rights** either by providing directly or by ensuring access to services provided by others those services which meet the needs of their populations for socio-economic security, education and health. At the same time the promulgation by governments, regions or international organizations of the concept of social rights empowers citizens to demand that governments adopt social policies to realize these rights in practice.

Another approach to social policy is to regard it as measures taken to **prevent, ameliorate** or enable people to **cope** with **social risks** such as those arising from livelihood deprivation, stages in the life cycle, illness and infirmity. These two conceptions, the first with an emphasis on **revenue raising and redistribution** and hence implicitly a greater role for governments and the second with an emphasis on **risk management** and hence implicitly a greater role for markets are reflected to some extent in the different approaches of some UN agencies (UNRISD 2000, Mkandawire and Rodriguez 2000, Mehrotra 2000, Kaul 1999) which tend to favour the first and the Bretton Woods organizations (Holzmann and Jorgenson 2000) which tend to the second. The actual social policies adopted by governments and regions to achieve these aims vary considerable both within the north and within the south and depend in part on the level of economic development and in part on the mobilization of social pressures for such policies. Economic growth AND politics shape social policy.

Later in this paper we will focus down on specific aspects of social policy that might be involved in this imminent south-south dialogue.

Does globalisation threaten social welfare?

A key question for us is whether, as is often presumed, the globalisation process influences or indeed determines for countries what their social policies are. Does globalisation limit the social policy choices available to governments in the north and the south?

In general terms I have argued elsewhere (Deacon 1997, 1999) that globalisation;

- **Sets welfare states in competition with each other.** This raises the spectre of a race to the welfare bottom. It raises the question as to what type of social policy best suits competitiveness without undermining social solidarity.
- **Brings new players into the making of Social Policy.** International organisations such as the IMF, World Bank, WTO and UN agencies such as WHO, ILO etc have become involved in prescribing country policy. Also relevant are regional organisations such as MERCOSUR, ASEAN, SADC etc. International NGOs have substituted for government in this context.
- **Generates a global discourse about best social policy.** Because supranational actors have become involved the traditional within-country politics of welfare has taken on a global dimension with a struggle of ideas being waged within and between IOs as to desirable social policy. The battle for pension policy in post-communist countries between the Bank and the ILO was a classic example. (Deacon 1997)
- **Creates a global private market in social provision.** Increased free trade has created the possibility of mainly USA and European private health care and hospital providers, education providers, social care agencies and social insurance companies benefiting from an international middle class market in private social provision.

When we began the GASPP project there was a worry among those concerned with social equity that these factors would push social policy in all countries in a residual neo-liberal direction. **In other words there was a worry that the neo-liberal character of globalisation would determine that social policy took on a neo-liberal character too** (Deacon 1997, Mishra 1999)

These fears have been partly allayed. In terms of the actual impact of economic globalisation upon social policy a new scholarly consensus is emerging that argues and demonstrates that:

- Globalization does not **necessarily** have to lead to the residualisation (and privatisation) of social provision. In the north there are arguments and experiences that show that redistributive social policy with high levels of income taxation and high levels of public health, education and social security ARE sustainable in the face of global competition. In a comparative survey of Anglo-Saxon (e.g UK) Conservative Corporatist (e.g. Germany) and Social Democratic (e.g Sweden) welfare states both the neo-liberal and social democratic approaches remained competitive. The neo-liberal approach of course risked creating increased inequity. The most challenged were work-based welfare states funded on the basis of labour taxes. So long as revenue for social provision was raised from citizens rather than capital high level universal social provision is sustainable. (Scharfe 2000, Sykes et al 2000).
- At the same time the fears of social dumping in the south have been shown to be exaggerated (Alber, J and Standing, G, 2000). Moreover evidence from a recent global survey of the impact of globalization upon economies has shown that some governments in the south have chosen to increase their social spending during liberalization (Taylor, L, 2000).
- Moreover it is now recognized internationally that globalization and openness of economies generates the need for more not less attention to social protection measures (OECD, 1999).
- A response to globalization in some middle-income countries has indeed been to create universalistic forms of social policy. A good example is Korea (Huck-Ju Kwon, 2001).
- Some of the social policy responses adopted in Latin America and elsewhere in the heyday of the Washington neo-liberal consensus such as the full privatisation of pension schemes are now being shown by comparative policy analysts to have questionable advantages in terms of net savings effects and other criteria (Mesa-Lago, 2000 and Huber and Stephens, 2000). Mesa-Lago shows that neither old-fashioned state socialism (Cuba) nor new-fashioned neo-liberalism (Chile) but socially regulated capitalism (Costa Rica) does best economically and socially. (This echoes the seminal work of Doyal and Gough (1990?) of some years ago)

This is reassuring but despite this evidence I have argued (Deacon 2000) that certain tendencies in the globalisation process and certain policy positions adopted by international organisations still give cause for concern. I examine these below.

The challenge to equity

Today we are not confronted by a global neo-liberal Washington consensus where belief in unregulated market reigns supreme. The **dominant** global discourse has shifted from a socially irresponsible neo-liberal globalisation to one that expresses concern about global poverty. A “socially responsible” globalisation discourse and practice has replaced the earlier one. It has had to because of the global social movements against the neo-liberal form of globalisation. This new consensus is not a truly global consensus. Many social movements in the south would not subscribe to it. One of the concerns of this seminar will be whether we subscribe to this emerging consensus or whether we would want a south-south dialogue to develop a counter tendency to this largely northern-shaped discourse with a greater emphasise on equity (?) and north-south transfers (?). (I shall return to this point later)

In the UNRISD paper (Deacon 2000) I showed in some detail that the new consensus among northern donor agencies and major International Organisations consisted of the following elements:

- global macro-economic management needs to address the social consequences of globalisation
- a set of social rights and entitlements to which global citizens might aspire can be fashioned base on UN conventions
- international development co-operation will focus aid on meeting basic social needs
- debt relief should be speeded up so long as the funds are used to alleviate poverty
- the globalization of trade generates the need for the globalization of labour and social standards
- good governments are an essential ingredient in encouraging socially responsible development

There are, however, a number of disagreements as to how to proceed with this new orientation.

- much of the south is understandably suspicious of even progressive social conditionality
- how both world trade and world labour standards can co-exist without the standards being reduced to minimal core standards or used for protectionist purposes is far from clear
- initiatives to empower the UN with global revenue raising powers which fund global social rights are firmly resisted by some

My concern with this emerging consensus is that despite the apparent shift from global neo-liberalism to global social responsibility the coexistence of four tendencies within the new global paradigm, if allowed to be pursued, will still undermine an equitable approach to social policy and social development. These tendencies are

- The World Bank's continuing belief that governments should only provide minimal or basic levels of social provision and social protection.
- The OECD's Development Assistant Committee's concern (subscribed to in Geneva 2000 by the UN as well as the Bank and IMF) to fund only basic education and health care with its new international development targets.
- The International NGO's continuing self interest in winning donor contracts to substitute for government social services
- The moves being made within the WTO to speed the global market in private health, social care, education and insurance services

My concern is the following. Where the state provides only minimal and basic level health and social protection services the middle classes of developing and transition economies will be enticed into the purchase of private social security schemes, private secondary and tertiary education and private hospital level medical care that are increasingly being offered on a cross border or foreign investment presence basis. The result is predictable. We know that services for the poor are poor services. We know that those developed countries that do not have universal public health provision at all levels and public education provision at all levels are not only more unequal but also more unsafe and crime ridden. Unless the middle class are also catered for by state provision good quality social provision can not be sustained. This is the prospect for many countries that buy into this new development paradigm.

How did the idea of social policy geared to securing greater equity through processes of redistribution and universal social provision get so lost in the context of globalisation? Because:

- a) Globalisation was primarily a neo-liberal political project born at the height of the transatlantic Thatcher-Regan alliance. This flavoured the anti-public provision discourse about social policy within countries and contributed to a challenge to the idea of regional trading blocks such as the EU which had a partly protectionist purpose.
- b) The collapse of the communist project coinciding as it did with the height of neo-liberalism gave a further push to the rise of the myth of the marketplace.
- c) The perceived negative social consequences of globalisation generated a new concern for the poor. In the name of meeting the needs of the poorest of the poor the 'premature' or 'partial' welfare states of Latin America, South Asia and Africa were challenged as serving only the interests of a small privileged work force and elite state employees. A new alliance was to be struck between the Bank and the poor. (See Graham 1996, Deacon 1997) The analysis of the privileged and exclusionary nature of these provisions was accurate. However by destroying the public state services for this middle class in the name of the poor the politics of solidarity which requires the middle class to have a self-interest in public provision which they fund was made more difficult. The beneficiary index measures of the Bank showing how tertiary education spending for example benefited the elite contributed in no small measure to this development. The Bank technical expertise was ill-informed about the political economy of welfare state building.
- d) In the late 1980s and 1990s the self-confidence of defenders of the social democratic and other equitable approaches to social policy was temporarily lost. The critics of neo-liberal globalisation came to believe their worst-case prognosis.

Are there signs of a shift in the global discourse leading to a reassertion of the politics of equity? There are a number of global initiatives that have the aim of re-establishing the case for equitable social policy approaches and ways of implementing them in southern countries. Among them are:

- A new UNRISD research programme on Social Policy in a Development Context under the leadership of Thandika Mkandawire which has the stated objective to "move

(thinking) away from social policy as a safety net ... towards a conception of active social policy as a powerful instrument for development working in tandem with economic policy". This programme held, with Swedish funding, its inaugural conference in October 2000 at which social policy scholars from most regions of the world were present. (See www.unrids.org)

- The rethinking presently being undertaken within the ILO concerning the sustainability of its traditional labourist approach to social protection. In particular the Socio-Economic Security In Focus work programme which is searching for new forms of universalistic social protection to complement the very limited coverage in the south of work based social security schemes. Good practices being revealed within this programme could inform southern social policy making (www.ilo.org/ses)

- The ongoing activities of several UN agencies support this more equitable approach. Such activities include
 - a) the UN Commission of Human Rights and their increased focus on the convention on Economic, Cultural and Social Rights,
 - b) the continuing work by UNICEF to work for Basic Services for All,
 - c) the activities following on from the UNESCO conference on Education for All in 2000, and
 - d) the ongoing programme of work leading to the high level meeting on Finance for Development in 2002.

- Also important is the follow up work from Geneva 2000 by the UN Social Policy and Social Development Secretariat including the codification of UN social policy. The work programme of the Commission for Social Development which includes in 2000/1 a focus on social protection is of especial relevance. Some comments on this are elaborated below.

The report of the UN Secretary-General (E/CN.5/2001/2) on "Enhancing social protection and reducing vulnerability in a globalizing world" prepared for the February 2001 Commission for Social Development is an important mile-stone in articulating UN social policy. Among the positive features of the report are the following. a)It is the first comprehensive UN statement on social protection, b)The thrust of its argument is that social protection measures serve both an equity-enhancing and an investment function and such measures need to be a high priority of governments and regions, c)It defines social protection broadly to include not only cash transfers but also health and housing protection, d)It accepts that unregulated globalisation is increasing inequity within and between countries, e)It argues that social protection 'should not (serve only) as a residual function of assuring the welfare of the poorest but as a foundation..for promoting social justice and social cohesion'(para 16) f)It argues that if equity is the goal then 'tax-funded social transfers are highly effective if the fiscal situation permits'(Para 89 and 95k) g)While being rather vague on the nature of a public-private welfare mix in provision it does point out that 'insurance markets are difficult to operate effectively'(Para 95c). I will return to some deficiencies in what the report has to say about advancing these ideas within the global discourse at the end of this paper.

So, from the standpoint of those concerned to see the case for equitable social policy at a national level being reasserted there is cautious room for optimism. The point should not be overstated however for two reasons. The Bank is still powerful and not convinced about redistributive politics and a north-south tension over social standards still complicates any global agreement on desirable social policy. On the first point a recent Nordic evaluation of the new 2000/2001 World Bank Development Report on Poverty concluded that (Braathen, 2000) although the Bank at least at the discursive level had shifted from its 1990 focus of social paternalism to a 2000 focus on social liberalism and even social corporatism within which the poor are to be given a voice it still did not embrace in any significant way the social radicalism approach which would involve redistributive policies except perhaps in the sphere of land reform. I have not seen the programme for the new World Bank Institute influential Seminar on Safety Nets which took place in December 2000 but I suspect it did not give much space to the defence of equitable social policy.

On the second point about forging a north-south agreement on a global approach to national social policy which goes beyond safety nets there are real obstacles to be overcome. An impasse now seems to have been reached in the global dialogue concerning the desirable social policies to be implemented in an era of globalization. Northern based global social reform initiatives such as the social policy principles initiative of UK's Gordon Brown which were concerned to modify the free play of global market forces with appropriate global social policies of international regulation have met with understandable but frustrating opposition from many southern governments and some southern-based NGOs and social movements. The debate in Geneva 2000 characterized this development when the proposal for a set of social policy principles was rejected on the grounds that these might become a new conditionality imposed by the North and there was anyway no money forthcoming from the richer countries to help pay for the implementation of such principles. Moves beyond this impasse would seem to require two changes. One would be a greater commitment on the part of the North to support international resource transfers to pay for global public goods such as basic universal education and the other is for the south to own and develop for itself any such social policy principles or standards based on a review of best practice in the south. This seminar is I believe the opportunity to do just that.

A south-south dialogue need not reinvent the wheel or start from scratch

Having returned to the need for this new south-south dialogue let me repeat what I said at the outset. Such a dialogue I believe can and should learn from the northern debates and experiences but also there is already a considerable body of knowledge about what policies in the south contribute most to sound human development.

To oversimplify in terms of what has been learned from the north:

- Neo-liberal globalisation does not mean countries have to adopt neo-liberal social policies.
- A commitment to equitable social welfare and economic efficiency and competitiveness are compatible.
- Social provision (education, health and social care, social protection) provided by the market works for some at the cost of equity.
- Social provision based on workplace entitlements used to work for some at the price of the exclusion of others. It is increasingly ill advised as a strategy for welfare.
- Social provision based on citizenship or residence entitlement is the surest way of maximising social inclusion and equity.
- Social policy in a globalised era requires not only national social policy but also regional and global social policy. Regulations at EU/MERCOSUR/ ASEAN/SADC and global level are needed to ensure the sound operation and equitable outcomes of the international market in labour, health, education and social care.

Both in the north and in the south we already know a lot about which policies are more effective at achieving equitable social outcomes and sound human development. (Doyal and Gough 1991, Esping-Andersen 1990 etc, Goodin 1999, Huber E and Stephens J 2000, Mesa-Lago 2000, Mehrotra and Jolly 1997, UNDP 1999).

Reviewing the positive experience that combined economic growth with conscious social development in Botswana, Mauritius, Zimbabwe, the Indian state of Kerala, Sri Lanka, the Republic of Korea, Malaysia, Barbados, Costa Rica and Cuba, Chen and Desai (1997:432) concluded:

The key ingredients to successful social development appear to be responsive governance, socially friendly economic policies, and the universal provisioning of social services. In all these endeavours the role of government is central.

These findings and examples of good practice have been reinforced in the recent UNRISD collection edited by Dharam Ghai (2000). Some best practice countries and policies that have already been identified from this earlier research and comparative evaluation include

- a) In Asia Korea because of its extension of labour based benefits to a wider population as a result of the government increasing outlays for social expenditure from 5% of GDP in 1980 to 7.8% in 1997, in India the state of Kerala because of its tradition of sustained public expenditure despite globalisation, Malaysia because of its more restrictive approach to globalisation, Singapore because of its investment in human capital and job creation.

- b) In Latin America Uruguay or Costa Rica because of their reform of PAYG pensions without a full privatisation, Brazil because of the experiments with a minimum income approach to socio-economic security, Colombia because of the broadening of its tax base in the face of globalisation, Argentina because of the state subsidized employment programme in health and education which enabled female workers to get jobs.
- c) In southern Africa Mauritius or Botswana because of the introduction of universal pension entitlements.

What is different about social policy in the south?

I know that some from the south reading this paper will be thinking that this is all very well but that the analysis and prescriptions are still based on a northern experience of welfare. My first line of defence is that the paper is designed to report the northern discourse on globalisation and social policy! Nevertheless let me briefly address the question as to whether the southern experience is so different such that no policy transfers from north to south are worth considering.

Clearly there are differences including the facts that:

- a) Coverage by formal social protection schemes in many countries is tiny
- b) Families and community networks contribute a large measure to individual social protection
- c) Basic land reform and the redistribution of assets has not begun in some places; entrenched elites have not yet (?) perceived that their interests might also be served in the long term by a different approach
- d) The fiscal capacity of many states has been severely hampered by globalisation
- e) The western concern with state-based rights and equity is not easily transferable to a Confucian-influenced South-East Asian discourse or a traditional African village practice of extended familial duties.
- f) The Islamic practice of Zakat embraces the notion of redistribution but within a framework of obligations that may not extend to those who are not Muslim.
- g) Some governments perceive their countries short term interests being served by entering the unregulated global market on the basis of the comparative advantage of the absence of 'expensive' social protection measures.

All of these and more factors would need to be taken into account in a south-south dialogue. This would result in us giving more emphasis to new forms of universalism outside the work based systems of social protection. It would involve us articulating ways in which governments can support familial forms of welfare etc.

It is, in my view unhelpful if we exaggerate these differences. The lessons from one of the most developed parts of the 'south' namely East and South-East Asia is interesting. It seems that the path of social welfare development may be somewhat different from Europe (a greater focus on **regulating compulsory private** provident funds rather than actual **state provisions**). However taken overall these emerging welfare states are ahead of Europe when you compare the time when legislation was enacted for risk contingencies with the level of the development of the economy (Kulhne S. et al 2000). Moreover they now face the same issue that Europe faces with regard to the sustainability of pension provisions (Gough 2001). China too is addressing in its reform of the work-place welfare state the same question Germany or France faces...whether to move to individual un-pooled private pension funds or to a resident based (within cities at last) pooled public pension scheme. I think the differences can be made too much of. The seminar will be better able to address this than I am. Attached as an appendix is a report of an attempt at a north-south dialogue on social policy and globalisation which was held in India in November 2000. It might be a useful reference point (GSP 1.2 2001).

Aspects of social policy to focus on in this initiative

The three aspects of social policy making that I initially suggested to UNDP/CDC to focus on are listed below. For this particular seminar the focus has been narrowed down to the first of these with some reference to the second. I hope we can keep all three areas or maybe others in the longer term work-plan and dialogue.

- a) New forms of universalism in social protection. (From labour rights to citizenship rights?)

Work based social security arrangements such as PAYG pensions cover such a small constituency in many developing countries. They are in any case threatened by global competition (pay roll taxes are NOT the preferred tax). The individualization and privatization alternative preferred by the Bank risks the social exclusion of some. Interest has therefore developed in income tax or VAT funded forms of social benefits payable to children or women or old people either on the basis of citizenship or residency or on the basis of educational attendance in the case of children. These are measures that in effect act to support informal extended family forms of care. Cross-country comparison of these and related new initiatives in social protection would be a fruitful area for south-south policy dialogue and comparison.

Among the specific policy issue which south-south dialogue, analysis, comparison and best practice evaluation might focus on within this section are

- i) Alternative pension and social security reform strategies,
- ii) Experiments to extend formal social security entitlements to the informal sectors of the economy and to risks attached to means of livelihood other than formal work such as agricultural activity,
- iii) Experiments with citizenship instead of work based forms of income protection such as child benefits, educational allowances, old age allowances,
- iv) New forms of mutuality and social insurance emerging among self employed workers,

b) Fiscal Challenges and Social Policy

One of the often-repeated mantras about the inevitable consequence of globalization is that public sector provision is unsustainable in the light of fiscal pressures. The Head of fiscal affairs at the IMF has argued that the world must get used to the idea of lower levels of government revenue. Certainly global competition is a challenge to fiscal authorities. Capital taxation, and labour taxation are proving problematic in the absence of international tax agreements and standards. Other such as land tax and income tax and value added tax are a little more sustainable if there is the political will. The UN high-level meeting on finance for development in 2002 will address some of these issues and also evaluate alternative sources of north-south transfers for global public goods. What have not received particular attention are the varied practices among developing southern countries in their fiscal policies and practices. This programme could be included as a second element of social policy the issue of fiscal resources for public services. A key element will be the ways in which taxes can contribute to equitable and inclusive societies. Ways in which the tax and benefit systems can combine to maximize social cohesion and equity would number among the issues to be addressed.

Some examples of good practice in this field have already been mentioned above. They include the case of Korea increasing substantially its social spending, the case of Colombia broadening its tax base, the case of Kerala within India in terms of higher revenue raising, the region of Porto Alegre in Brazil with its democratized social budget. Despite the limited numbers of success stories in this field it is important to begin the exchange of policy strategies between countries on this issue. As Mehrotra conclude (2000) "much more could be done to strengthen tax collection and to prevent tax evasion, much more could be done to enhance the tax base by enlarging the tax net to catch those who are currently escaping it" This is an area where the growth of interest in peoples budgets and the democratization of the budget process may be helpful. Lessons could be learned from recent Southern African experience in the field (UNDP 2000).

c) Regionalism and Social Policy.

Several emerging trading blocks and other regional associations of countries in the south are beginning to confront the issues of the relationship between trade and labour, social and health standards and the issue of how to maintain levels of taxation in the face of competition to attract capital. These issues have be-devilled north-south discussions. Progress as we argued earlier might depend on a new south-south dialogue on standards and taxation levels. Such trading blocks are also perceiving the advantages of cross border co-operation in social provision. The comparison of how MERCOSUR, ASEAN, SADC, SARC, and regional groupings among the Arab countries are handling these issues would be a fruitful area of work.

In principle the Social Policy Dimension of Regionalism embraces external and internal aspects. In relation to the rest of the world a regional approach to social policy creates the potential for protection from globalization forces and a potential for a louder voice in global discourse on economic and social

policy. In relation to the region itself through intergovernmental agreement there exists the prospect of regional social redistribution, regional social and labour regulation and regional social empowerment through the establishment of common rights across a region. At the same time a regional approach to social policy would facilitate intergovernmental cooperation in social policy such as regional health specialization, regional education cooperation, regional food and livelihood cooperation and regional recognition of social security entitlements.

While an adequate assessment of the potential significance of the social dimension of regionalism has not yet been made some interim conclusions are being drawn from a recent study (Deacon 2001) that focused on three southern regions.

- There is a social dimension to each of the three regional groupings studied. These range from the least developed in ASEAN to the most developed in MERCOSUR. MERCOSUR has promulgated a regional Labour and Social Declaration, has established reciprocal social security co-operation internally and is undertaking joint health and safety inspections. ASEAN has so far taken a less interventionist approach but is agreeing a set of social safety net principles for the region.
- Regional think tanks, regional NGOs and to some extent the regional secretariats are more focused on advancing this dimension than national governments
- Emerging social problems with a regional dimension may stimulate further intergovernmental co-operation. These include cross border labour migration, cross border AIDS infection, cross border drug running.
- The imminent advancing of free trade arrangements within each region will either lead to increased concern with differential labour standards and other aspects of regional social policy or to the beginning of the erosion of the trading block.
- In all regions the political choice between either strengthening the existing regions, together with their emerging social dimension, or dissolving the existing regions in favour of entering neo-liberal inspired wider trading blocks will need to be faced soon.

The broader international dialogue and how to influence it

I want to conclude with a plea. While the thrust of this programme is appropriately designed to help countries in the south learn from each other about the best ways national social policy might be made to facilitate social inclusion I think that something would be lost if the programme did not also seek to feed back the lessons learned into the global discourse on these questions. I have shown above and in the works referred to how northern dominated International Organisations have shaped a global discourse about desirable social policy. The most dominant player in this the World Bank continues to appear to win the intellectual argument by virtue of its selling power. With the support of G77 and with the help of the UNDPTCDC the opportunity now exists to balance this with a coherent UN lead and southern lead approach to social policy. That such a rethink is already underway was illustrated earlier when I reviewed the new thinking in the UNRISD and the ILO-SES and within the DESA secretariat and the Commission for Social Development.

Despite these indications of new thinking it is by no means clear that the UN at the highest levels has understood that a major intellectual, moral and strategic argument continues at a global level on how to secure greater global justice. At that level there is still too much deference given to the Bank's technicians. There is not enough facing up to the need for global revenues. It is to be hoped that this UNDPTCDC programme not only ends up drawing social policy lessons for countries but also addresses these debates at the highest intergovernmental level. I am moved to make these remarks by some problems I see in the UN Secretary-Generals report on Social protection referred to earlier. Section F. Of the report reviews the social protection programmes of the UN specialised agencies. The World Bank's very particular contribution is reported with little comment. The report goes on in paragraph 98a to call for 'international agencies and multilaterals to co-ordinate their efforts and avoid duplication'. It is suggested that the Administrative Committee for Co-ordination (ACC) can be utilised to this end. I am in favour of the UN through a reformed Economic and Social Council exerting global authority in the management of the economic and social dimensions of globalisation. For this to be achieved what is needed is much more than effective co-ordination between agencies..we need this for sure..what is needed is a) a major intellectual challenge to what is left of the damaging neo-liberal orthodoxy still lurking in the Bank and b) a totally new approach to the global funding of global social protection within which new international taxation would play a part. The issue is not co-ordination but power and resources.

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Appendix:

The New Delhi north-south debate on the prospects for a socially just globalisation