

## **C1 | SOCIAL PROTECTION: REIMAGINING DEVELOPMENT**

After twenty years of espousing ‘poverty reduction’ policies, international organizations are now proposing ‘social protection’ policies. The International Labour Organization (ILO) has adopted a recommendation on ‘social protection floors’. This chapter discusses the merits of the new proposals on ‘social protection’ and whether they represent a break from neoliberal policies.

### **History of the debate on ‘development’**

In 1969, the General Assembly of the United Nations (UN) adopted a Declaration on Social Progress and Development (United Nations 1969). The Declaration, akin to a programme of national modernization, included:

- confirmation of national sovereignty and the right to self-determination;
- assertion of the right and responsibility of states to pursue their own objectives of social development; and
- planning of social progress within the framework of comprehensive development plans, equitable distribution of national income, transformation of social structures, the right to work, sufficiently high minimum wages to ensure a decent standard of living, social security systems, and social services.

The fiscal crisis of the 1970s stalled all meaningful discussions on social development as neoliberal economics and its reliance on the ‘market’ came to dominate the development debate. In 1990 the World Bank woke up to the reality of the existence of poverty at a global scale. In that same year, the United Nations Development Programme (UNDP) published its first report on ‘human development’. Discussions on ‘social development’ were now part of strategies for ‘poverty reduction’. Ten years later, two parallel strategies for reducing extreme poverty were put into place: first, the poverty reduction strategy papers (PRSPs) introduced by the World Bank and the International Monetary Fund (IMF); and secondly, the Millennium Development Goals (MDGs) of the UN.

Today, it is clear that both strategies have failed (see Box C1.1). Neoliberal policies are not the only ones to be blamed for this state of affairs. Erroneous policies in the North and the South, lack and inefficiencies of development aid, capital flight and tax evasion are all equally responsible for poverty and hunger plaguing many regions of the world. Yet one should note that poverty reduction policies, as proposed at the turn of the millennium,

were not designed to challenge the neoliberal agenda and, in fact, were totally compatible with neoliberal policies.

### **Box C1.1 MDGs and the post-2015 development agenda**

In the Millennium Summit in September 2000 a set of eight global ‘Millennium Development Goals’ (MDGs) were adopted by the UN (UN General Assembly 2000), with twenty targets and corresponding indicators. Several of these goals dealt with major health issues: maternal health, infant mortality, sanitation and water supply, and access to preventive programmes and treatment for AIDS, malaria and other diseases.

*The ‘charity’ model of development* Over the next decade there was a dramatic increase in the flow of ‘development assistance for health’ (Ravi-shankar et al. 2009). *The central contradiction of the MDGs* is that while the Millennium Summit Declaration (MSD) contains some admirable, even inspiring, language, the goals that were adopted were largely about North–South charity; mobilizing funds from the rich world to assist poorer countries to ameliorate the nutrition, health, education, infrastructure and environmental burdens they were facing. It is not plausible that international charity, directed at ameliorating such burdens, is the most appropriate pathway to the goals of human development, social development and sustainable development. But if the MDGs were not designed to achieve ‘development’, what were they designed to achieve?

*The central myth of the MDGs* was that the dramatic increases in charitable funding which flowed after September 2000 were due to the intrinsic persuasive power of the MSD and its goals. It has been widely assumed, at least in the official rhetoric, that the adoption of the MDGs somehow propelled this increased flow of funding. However, two of the major sources of new funding were the Gates Foundation and the President’s Emergency Fund for AIDS Relief (PEPFAR). It is hardly plausible that the adoption in the UN of a set of ‘development goals’ would somehow be sufficient to motivate Bill Gates and George W. Bush to redirect billions of dollars to the treatment of AIDS and TB and control of malaria. But if the expansion in ‘development assistance’ funding was not driven by the inspirational power of the MDGs, what was it driven by?

*Legitimation of neoliberal globalization* The key to answering both questions lies in the idea of ‘legitimation’: the increases in charitable funding transfers would serve to reaffirm the ‘legitimacy’ of the contemporary

regime of neoliberal globalization against the threat of ‘delegitimation’, which was increasingly salient in the late 1990s.

The goals and targets which were adopted were overwhelmingly about charity and amelioration. It is necessary to ask: if the ‘central challenge’ was inequitable, unstable and unsustainable globalization, what was the relationship between the MDGs with their associated funding flows and the central challenge of moving towards a fully inclusive and equitable globalization?

This question points towards a structured hypocrisy on the part of the governments of the rich countries, in particular the USA and those of the European Union. During the fourteen years to date of the MDGs the USA and Europe have developed and implemented policies in the fields of trade, investment and finance designed to shore up the regime of globalization which Article 5 of the Millennium Summit Declaration identifies as the ‘central challenge’. A raft of policies have been introduced which have exacerbated the inequities, instabilities and catastrophic environmental impacts of contemporary globalization, even while diverting a relatively small portion of the rents received to ‘development assistance’.

The financial outflows from low- and middle-income countries associated with capital flight, tax evasion through transfer pricing and corrupt invoicing far outweigh the flow of ‘development assistance’. However, ‘development assistance’ gives legitimacy to the governance structures which reproduce such outflows. If such ‘development assistance’ is not accompanied by structural changes in global finance, trade and investment, the claim to be assisting in ‘development’ is truly Orwellian.

*Post-2015 development agenda* The contradictions and myths and the hypocrisy of the rich-world elites in relation to the MDGs provide important warnings regarding the treatment of health in the post-2015 ‘development agenda’.

Among health officials it is widely repeated that the MDGs ‘brought massive new funding into health’ and there is fear that the post-2015 sustainable development goals might bypass ‘health’. (‘Health’ in this context refers to institutions and programmes rather than population health outcomes.) A recent report by the WHO Secretariat (January 2014) stated that ‘the prime concern for WHO at this stage is to support an approach that allows a wide variety of interests within the health sector to be accommodated as part of a single framework. This strategy reduces competition between different health conditions, different health interventions and different population groups’ (WHO 2013).

Building better health systems is certainly part of development.

However, there are limits to the extent to which health systems can promote healthy populations, as opposed to providing preventive, diagnostic and therapeutic services to individuals. Health is created before and beyond the health system; it is created in the social conditions in which we grow, live, learn, work and play (Commission on Social Determinants of Health 2008). The primary healthcare (PHC) model recognized the social determination of health and argued for healthcare practitioners to work with their communities to recognize, consider and take action on the social determinants of health. This transformative dynamic of PHC is now passé within WHO, as is concern for the social determination of health, in both cases because of WHO's financial crisis. WHO is so dependent on its donors that it cannot afford to challenge their ideological and policy assumptions.

However, real progress in population health will depend on a rigorous and robust analysis of the links between health and development. This will involve:

- relating population health challenges to the wider economic and political environment and the economic, institutional and cultural dimensions of development;
- developing an explicit analysis of dynamics of the global economy which promote widening inequality and the unsustainable use of the earth's resources and capacities; and
- undertaking an explicit analysis of the regulatory settings, power relations and decision loci through which the global economy is regulated and through which it can be transformed.

While the UN is trying to develop a framework of global goals for sustainable development for the years following 2015, neoliberal economic policies currently being implemented are leading to widening inequalities and ecological destabilization. Provisions being included in trade agreements to further extend patent durations are going to maintain high prices for medicines; the 'free trade' agreements now being debated are going to protect the interests of transnational corporations at the cost of reducing the regulatory and policy space of sovereign governments. New economic relations and new forms of regulation are therefore critical prerequisites for addressing the challenges of today and the post-2015 era.

### **Poverty reduction and social development**

Poverty reduction policies were never meant to improve social protection, but were supposed to be an alternative to it. The goal that had to be achieved

was enhancing poor people's capacity to manage and cope with risks (to which they were exposed to as a result of neoliberal policies) on their own.

Nor did poverty reduction policies, proposed by the World Bank and UNDP, have anything to do with a 'correction' of the negative outcomes of neoliberal policies. Rather, they were an integral part of these policies. The notion of social security was abandoned and '*Market-inhibiting policies*' were claimed to be actually harming the poor (World Bank 1993). It was said that labour market regulations and minimum wages raised the cost of labour and prevented some groups of people from competing for jobs. Social insurances could exist, but should be provided by markets and not by public authorities (World Bank 1997).

The UNDP argued: 'The chronically deprived and dispossessed must be brought up to a threshold of human development to enter the mainstream of economic growth. But then it is time for governments to step aside ... if human development is the outer shell, freedom is its priceless pearl' (UNDP 1990). Old prescriptions that sought to tackle the problem of poverty through social expenditures and safety nets were seen to be erroneous diagnoses (PNUD 2000).

Thus, the tension between pressures from below to address socio-economic inequities and the need to maintain the integrity of the neoliberal agenda has informed debates on social development. However, criticisms of the 'poverty reduction' model for social development have now started surfacing.

In 2004, an independent report from the International Labour Organization (ILO) on the 'social dimension of globalization' asked for a 'certain minimum level of social protection ... to be accepted and undisputed as part of the socio-economic floor of the global economy' (ILO 2004). In 2009, in the early stages of the current fiscal crisis, different UN agencies published a report in which it is said that 'a social protection floor' could be useful in protecting people 'during the crisis and thereafter' (UN System Chief Executive Board for Coordination 2009). In 2010, several reports from the UN Research Institutes on Social Development (UNRISD) (Bangura et al. 2010) and the UN Department of Social and Economic Affairs (UN DESA) (United Nations 2010) were published with an implicit criticism of neoliberal policies, and also of poverty reduction policies: '... the narrow preoccupation with poverty may actually work against the broad and long term efforts that are required to eradicate poverty' (Bangura et al. 2010: 16). Many of these reports instead propose a transformative system of universal social protection. Given that the idea of social protection had been quickly buried with the emergence of the poverty discourse, this ideological turn is noteworthy.

### **Universal social protection**

Proposals on social protection have been put forward by several agencies: the World Bank, the European Commission (EC), the ILO, the UN Economic Commission for Latin America (ECLAC), etc.

The World Bank published a 'theoretical framework' for social protection in

2000, and confirmed and updated its strategy in 2013. For the World Bank, social protection is all about ‘risk management’; risks and shocks – from economic downturns to epidemics and natural catastrophes – are inevitable and people have to be prepared to cope with them. This is called ‘resilience’. The new element in the World Bank’s strategy is labour. Jobs are seen as ‘opportunities’ that people have to seize and for which they need the necessary skills, all within the framework of ‘improved’ labour markets.

The best-developed proposals are those of the ILO for ‘national social protection floors’. After the end of the Cold War, and with globalization gaining strength at the beginning of the 1990s, the ILO slowly became marginalized. The first step towards the reclaiming of its mission and relevance was the adoption of the ‘Declaration of fundamental principles and rights at work’, a compilation of basic conventions, with the right to unionize and the right to collective bargaining, the prohibition of forced labour and child labour, and the prohibition of discrimination at work (ILO 1998). In 1999, the ILO adopted a ‘decent work’ agenda, which consists of the fundamental rights to work, social protection, social dialogue, and employment (ILO 1999).

The International Labour Conference (ILC) of 2001 also gave the highest priority to policies and initiatives that aimed to provide social security to those not covered by existing schemes. Following this, in 2003, the ILO launched a global campaign on social security and coverage for all. In 2008, the ILC adopted a Declaration on Social Justice for a Fair Globalization (ILO 2008).

*ILO’s proposal on social protection floors (SPFs)* Subsequently, a new initiative was taken for launching a ‘social protection floor’ (SPF). A preparatory report was written by an Advisory Group chaired by Michelle Bachelet and a recommendation was finally adopted on ‘national social protection floors’ at the ILC of 2012 (ILO Advisory Group 2011; ILO 2012).

The recommendation emphasizes that social security is a human right, and that it is ‘an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment’ (ILO 2012). The economic objectives are seen as ‘an investment in people that empowers them to adjust to changes in the economy and in the labour market, and that social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and help support a transition to a more sustainable economy’ (ibid.).

Implementation of the recommendation is the overall and primary responsibility of the state (ibid.: 3) and ‘Universality of protection’ is mentioned as the first principle to be applied (ibid.: 3). The ILO recommendation explicitly states the types of benefits or guarantees that should be provided under national SPFs: ‘... a nationally defined set of goods and services, constituting essential health care, including maternity care ..., basic income security for

children ..., for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability, and for older persons' (ibid.: 5, 9).

The recommendation is, however, ambiguous regarding coverage. It says that social protection has to be universal, but then goes on to say that it is mainly meant for those who are 'in need' (ibid.: 4). Thus, while guarantees are universal, benefits will go only to selected groups – which clearly implies targeting. The recommendation refers to a variety of methods to fund the proposal, including 'effective enforcement of tax and contribution obligations, reprioritizing expenditure, or a broader and sufficiently progressive revenue base' (ibid.: 11).

### Conclusion

ILO's proposal on 'social protection floors', while a step forward in the debate on development and social security, suffers from serious flaws. There is no unequivocal commitment to the achievement of universalism, social development and a shift away from neoliberalism. Ambiguities are also embedded in terminologies used. As the ILO itself points out, the terms social protection and social security are not used in consistent ways, their meaning differing widely across countries and international organizations, and also across time (ILO 2010).

Finally, no matter how positively the plans for SPFs are assessed, what



**Image C1.1** Women in India at a shelter for the homeless; 'social commons' can allow for a new conceptualization and broadening of social protection (Simon de Trey White/ActionAid)

the documents do not tell us should not be ignored. They do not speak of a redistribution of incomes. They do not speak of a ‘transformative’ agenda whereby ‘development’ implies an end to dual societies. There is no proposal to change the economic paradigm taking into account the ecological constraints, marking a shift away from productivism and an exclusively growth-oriented economy. If the SPF is limited to its minimal requirements, it will be compatible with neoliberal policies. Obviously, how these plans are implemented (if at all) will depend on the political will of governments. It will also depend on the strength of social movements to put pressure on governments and political leaders.

*The social commons* At the same time, it might be argued that social protection, however broadly it is defined, cannot be enough to ‘build another world’. Social assistance can help poor people and universal social protection can help prevent poverty and reduce inequality. But they do not bring about political, economic and social change.

Therefore, the demand for a ‘social commons’ is fully legitimate. This would not only help prevent the erosion of the concept of ‘social protection’, but would also allow us to focus on the collective dimension of the protection that needs to be provided. ‘Commons’ refers to that which we all share as human beings – that is, our need for protection, food, shelter, healthcare and resources, so that we can lead a decent life and maintain a decent standard of living. Furthermore, as neoliberalism has focused exclusively on competition and flexibility, it has destroyed social relations and communities. This means that not only do individuals have to be protected, but so do societies. This collective dimension is particularly important when poverty is seen not as an individual problem of poor people but rather as a social relationship. It can never be eradicated if the whole of society is not involved. This demands solidarity and the participation of all.

The basic idea of ‘social commons’ is that social relationships are not purely contractual, but are constitutive of each person’s individuality. Society is necessary for the survival of individuals. The notion of social commons can allow for a new conceptualization and broadening of social protection. It is based on the idea that people can master their present and shape their future, while mutually respecting each other and respecting nature. This can be a truly transformative project, leading to systemic change in the economy, polity and society, and ushering in wider democracy. It can contribute to building ‘another world’ (Mestrum 2014).

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