New Directions in Social Policy
Alternatives from and for the Global South

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Concept Note
UNRISD was established in 1963 as an autonomous space within the UN system for the conduct of policy-relevant, cutting-edge research on social development that is pertinent to the work of the United Nations Secretariat; regional commissions and specialized agencies; and national institutions.

Our mission is to undertake multidisciplinary research and policy analysis on the social dimensions of contemporary development issues. Through our work we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

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Summary

This three-year research project will examine the emergence, nature and effectiveness of recent developments in social policy in emerging economies and low-income countries. The purpose is to assess whether we are seeing the development of substantially new approaches to social policy or welfare systems within emerging economies that can provide alternative solutions to the critical social development challenges facing low-income countries in the 21st century.

Notwithstanding an environment of persistent economic uncertainty and social tension or crisis in many parts of the world, remarkable changes in the nature and scope of policies (both social and economic) designed to achieve better social outcomes are taking place in some emerging and developing economies. Social policy and programme innovations in the South have demanded widespread attention in the international community, and some (notably conditional cash transfer programmes) are being widely studied, evaluated and replicated.

From a comparative social policy and political economy perspective, however, a number of critical questions about these initiatives remain poorly understood. The questions of concern for this research include:

- Why and how are these changes occurring – through what kinds of economic, social or other policies, programmes or institutional and political arrangements?
- What is the relationship between certain economic and social policies? What are the relationships between different (orthodox or heterodox) economic policies and the social policy options being pursued in different contexts?
- What are the implications of these changes, whether in terms of short-term welfare goals or broader development processes?
- How is learning about these new policies and programmes being shared among countries in the south?

Ultimately we are interested in whether and how these experiences are reshaping or creating new social contracts between states and citizens that can deliver improved welfare in lower income countries. Can they be the basis of new and more sustainable welfare systems and policies better suited to conditions of developing countries in the 21st century?

The project will explore these critical contemporary policy challenges through comparative analysis of policies and programmes, and their wider institutional and political arrangements. In-depth single country studies will be carried out in five countries to be selected among Brazil, China, Ecuador, Ghana, India, Russia, Rwanda, South Africa and Sri Lanka; and two exploratory comparative studies will be carried out on clusters of two to three countries of the Middle East and North Africa, to be selected among Bahrain, Jordan, Morocco, Oman, Tunisia and United Arab Emirates. Dialogues with policy makers and other actors will allow the project to explore the relevance of the findings for national and international policy making.
Background and Justification

In a context of widespread economic crisis and uncertainty, harsh adjustment measures being adopted by or imposed on countries across Europe have called into question the resilience of a social model that supported both welfare and wealth creation in these countries. These welfare states have offered a vision of a social future for later developers. A development model generally involving some form of solidarity-based redistributive social policy programmes as a complement to industrialization and economic growth helped to raise poor countries of Northern Europe, and to some extent East Asia, out of poverty during the second half of 20th century. However, the social policies that underpinned this development model have often gone unrecognized and are rarely part of the policy packages recommended to poor countries by the international development community. On the contrary, such policies have often been considered a luxury of richer economies. Instead, a palliative form of social policy is often proposed as remedial action against the adverse social effects of economic policies whether aimed at stabilization and adjustment, or at market-led growth. As welfare states themselves experience retrenchment, however, a range of new experiences coming from the South may offer viable alternative social visions and pathways more appropriate to lower income economies attempting to address social development challenges alongside economic growth in the globalized and increasingly uncertain 21st century context. What is the potential for crafting new social contracts suited to these conditions?

Shifting contexts, alternative pathways

Three major shifts can be observed in both social policy and the broader ideational and institutional context that shapes policy options and responses.

First, there has been a notable expansion of social policies and programmes, often with significant innovations in terms of programme design, in so-called emerging and many developing economies. These include large-scale conditional cash transfer programmes (pioneered in Brazil and Mexico, but widely replicated); extensive employment or public works programmes (India, South Africa); the expansion of health insurance coverage (in parts of Latin America and East Asia, and increasingly in sub-Saharan Africa); large-scale social programmes associated with housing, literacy and food security in several countries within the Bolivarian Alliance for the Americas (ALBA), as well as the expansion or reform of pension schemes in all regions (including their re-nationalization, as in Argentina).

Beyond such identifiable “social” policies, many other policies are being experimented with that, while not necessarily categorized as social policies, have important social functions. These include minimum wage legislation, efforts to formalize labour, or policies relating to land distribution and natural resource management.

For many countries in Africa and Latin America, two “lost” decades of increasing inequality and declining human development indicators from the 1980s are now showing signs of reversal. Inroads are being made into poverty and inequality at national levels, particularly in Latin America. These positive trends are often associated with new and more redistributive social policies, as well as with other elements of the economic environment, such as employment, and possibly with the pursuit of more heterodox

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2 See for example Nora Lustig and Luis Lopez Calva 2011 and recent studies from ECLAC.
economic policies. Large emerging economies in particular are using the policy space they can claim in the current shifting geopolitics to pursue paths that lead to more equitable development outcomes domestically, with a range of strategies that differ both from the economic orthodoxy of recent decades as well as from each other.

Emerging economies may thus offer a variety of new routes to address the social challenges associated with 21st century development. What these cases appear to illustrate is that the same countries that are challenging standard economic prescriptions are also logically challenging the wisdom of pursuing merely palliative social protections on the grounds that growth will eventually benefit the poor. Instead, constellations of policies are emerging in different contexts that address short-term needs for assistance as well as engaging with longer term developmental and possibly “transformative” goals in terms of production and employment linkages, improved distribution and in some cases (albeit often through conditionalities that remain contested) support for social reproduction, such as NREGA in India and Bolsa Familia in Brazil.

A second, related, phenomenon is the “social turn” that has occurred at the level of development ideas and discourse, beginning in the mid-1990s. There has been a marked shift in ideas away from the market fundamentalism of the height of the Washington Consensus version of neoliberalism, towards more serious recognition of the importance of institutions, politics and social equity. There has been a rediscovery of lessons from earlier development experiences: that shared development processes are crafted through deliberate policy processes, requiring capable states that can intervene to shape markets and society. The renewed priority given to poverty reduction and related social goals through the MDGs was one important illustration of this shifting consensus around the content of development.

However, recent (and ongoing) crises have highlighted the urgency of identifying and testing alternative policies and approaches that simultaneously promote productivity and growth alongside greater equity, inclusiveness and sustainability.3 Central to such policies must be a focus on employment and on capability-enhancing social policies, which in turn requires a role for the state in using available resources for developmental purposes. That such approaches can work is shown in extensive evidence on the policy arrangements that created successful development experiences around the world,4 as well as those that led countries out of past crises and recessions. But crisis responses have also demonstrated the resilience of the dominant ideas that underpin a neoliberal development model, and which have led in turn to a strengthening of the institutions that promote them.5 Alternative ideas, whether invoking heterodox economic policies, counter-cyclical fiscal stimulus, industrial policies or more extensive social policies, have often struggled to gain traction or be treated as a core part of a viable economic model. Deeper analysis is required to understand why this is the case, as well as the factors (politics, resources, etc.) that enable or constrain states in pursuing more heterodox combinations of policies.

A third significant change relates to the reshaping of the global development landscape – its actors, institutions and policies. The MDGs saw a renewed role for the UN in economic

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3 In some contexts, particularly Europe, this is reflected in a new literature on the “social investment” state (Morel, Palier and Palmer 2012); while in Asia it is reflected in a strong emphasis on “inclusive growth”.

4 See for example UNRISD (2010).

5 See Utting, Razavi and Buchholz (2012), and the advocacy document, Be Outraged: There Are Alternatives, (Oxfam 2012).
policy, a role that had largely been lost to the Bretton Woods institutions. IFIs and other groups such as the G20 also started paying more attention to social issues. Perhaps most significantly in this context, new actors have entered the development scene as donors including countries such as the Brazil, China, India and the Republic of Korea. These shifts have potentially profound implications for the ideas and relationships that have dominated the development project since the mid-20th century. They raise questions about how far their policies differ from previous or “mainstream” approaches, and how they influence the global agenda.

The growing role of emerging economies on the development scene, both as major trade and investment partners with lower income countries and as donors, is changing aid relationships, policies and practices, the content and flow of ideas about development policies, and the policy space available to low-income economies. The demand for commodities unleashed by these economies is an important stimulus for growth in lower income economies, particularly those with natural resources. Thus we see rising optimism in or about Africa where revenues resulting from natural resource extraction, specifically fuels and mining, are providing new opportunities for proactive development policies by states. At the same time, concerns exist over the heavy reliance on primary export production and the vulnerabilities it produces, as well as the capacities of states to manage such resource flows for developmental purposes. What are the constraints and opportunities for financing social policy under such circumstances?  

Together these changes have several implications. Here we are concerned principally with the following issues that arise from the above discussion:

- the relationships between different forms of (orthodox or heterodox) economic policies and the social policy options being pursued in different contexts;
- the political and institutional arrangements and factors that explain or shape different social policy options and responses;
- the implications of the new social policy arrangements, in terms of whether new social contracts, involving new citizenship claims, are being forged or new and sustainable welfare models emerging; and
- the possible routes for the transfer or sharing of ideas and experiences among emerging and developing economies.

In sum, we currently see severe strains in the dominant 20th century social policy approaches. But possible viable alternatives appear to be emerging that could meet the challenges of 21st century development within a context of changing global relationships where the capacity for sharing and learning among a new set of actors may be strengthened. The development choices and policies of the large emerging economies may suggest alternative approaches for tackling poverty, inequality and other social challenges appropriate to the conditions of “underdevelopment” still pertaining in many low-income contexts.

Research on the nature and political economy of social policies and welfare systems in emerging economies (including but not limited to the BRICS) as well as other developing countries, will allow for an examination of the conditions for success and the limits of differing social policy strategies and interventions. More importantly, they may demonstrate, in a variety of ways, combinations of economic, environment and social policies as well as the political arrangements conducive to development in the

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6 Initial analysis of such questions is found in Hujo (2012).
Contemporary globalized world. The current context, in its degree of global integration and liberalization, is of course very different from the conditions which enabled the creation of welfare states, or even the success of East Asian developmental states, in the 20th century. What then do “recent developers” offer in terms of options for achieving welfare improvements with economic development and development strategies in the contemporary context?

Objectives of the Research

This project will contribute to debates, evidence and an understanding of alternative policies for social development in low- and middle-income contexts.

The proposed research will:

- Investigate and analyse the variety of “new” social policies and programmes of emerging middle- and lower income economies designed to address social development problems.
- Identify the extent to which these policies (whether in the social or economic domains) are significantly new. For example, whether they differ from “mainstream” policies or those promoted by traditional donors and multilateral institutions.
- Offer a systematic and comparative analysis of the emergence of new forms or constellations of social policies in certain countries; the role of, and relationship between, social, economic and environmental policies in this process; and the development outcomes associated with them.
- Identify key policy choices in the design of social policies and programmes, and the related economic policies and political/economy factors, conditions and drivers that determine these choices and their outcomes in the social domain.

More broadly the project aims to:

- Assess whether we are seeing the development of alternative welfare approaches, systems or even “regimes” in selected emerging economies that can assist low income countries in defining and pursuing their development paths, both in terms of content and process of social policies, and in terms of how lessons are being shared in a changing development context.
- Provide improved analytic and methodological frameworks and tools for understanding the development of social policies and welfare systems in emerging economies and for assessing the impacts of policies and programmes. In doing so, it should contribute to theoretical understandings of the political economy of welfare and the emergence of new social welfare systems and social contracts in lower income settings.
- Provide evidence that will contribute to the elaboration of global development and policy priorities and how they can be met in the post-2015 world.
Research Questions and Approach

This project will use the transformative social policy approach, which has been developed and successfully used in prior UNRISD research\(^7\), and will include thematic studies, cross-country comparative work and in-depth research on selected countries and programmes or policy initiatives. Initial reviews of literature and use of cross-country evidence will assist in establishing methods and stylized facts, provide a basis for country selection, and identify characteristics or clusters of countries around key dimensions for comparative purposes.

Through thematic papers on the issues identified, and in-depth studies within selected countries, the following sets of questions (elaborating on the above objectives) will be addressed:

1. The nature of social policies and programmes
   - What forms of “new” social policies and programmes are being pursued by emerging middle- and lower income economies; with what results?
   - What are the historical and contemporary conditions that shape social policies in these states?
   - To what extent are policies moving from residual to more comprehensive and potentially transformative systems?

The analysis will be undertaken at two levels: the overall welfare system, which is the constellation of social policies, actors and institutions that deliver welfare outcomes; and the sectoral welfare system, which is the arrangement of public social service provision in such areas as education, health, pensions, etc. The welfare regime literature as applied to developing countries, focusing on interests, ideas and institutions, as well as international influence and industrialization (Gough 2011), provides an initial basis as a framework for analysis that will be adapted as appropriate. Critiques of the regime approach that highlight the distinctive features of welfare sectors (Fine 2014) can also be used as a reference in exploring the nature of specific sectoral welfare systems. Particular attention will be paid to the respective roles of key social institutions including the market, state, civil society and the family in analysing welfare regimes, sectoral welfare systems or individual welfare programmes. These social institutions that structure (and are structured by) relations of, for example, gender, class, race or ethnicity, are important in determining social needs, the objectives of social policy, the incidence of costs and benefits of such policies, and the financial, human and material resources to be deployed for the advancement of social well-being. In particular, the analysis of institutional continuities and changes should assist in understanding the drivers or trajectories that lead to more universal (comprehensive) systems.

\(^7\) As for the transformative social policy approach, see UNRISD Research and Policy Brief 5, Transformative Social Policy: Lessons from UNRISD Research (www.unrisd.org/publications/rpb5e)
2. Links between social, economic and environmental policies

- What is the relationship between the economic, environmental and social policies being pursued?
- How do competing values and norms on such issues as growth, distribution, and environmental protection affect the nature and forms of social policies?
- To what extent does the state’s policy space for alternative economic and environmental policies affect social policies?

Substantial evidence from prior research concerning the interconnections between social, economic and environmental policy\(^8\), and hypotheses about the need for some social policies as a precondition for economic development and the synergy between social and environmental policies, can be further assessed.

The research project will explore whether social policies conform to a residual model (one often promoted by bilateral and multilateral institutions and consistent with a neoliberal economic model) or are being used strategically as tools to support economic transformation and inclusive development. When is social protection used as a strategic development tool and not solely as a mitigation instrument? Conversely, what economic conditions and policies make possible the expansion of more transformative social policies? A particular focus will be on policies related to structural transformation, such as industrial policies and employment, as well as the macroeconomic policy environment.

The link between labour market dynamics and social policies is an important topic for research from this perspective.

In addressing unintended consequences of environmental policies, and negative impacts of climate change, social policy is often narrowly understood only as a means of compensation. The potential of (for example) redistributive fiscal or agrarian change, regulation of production, promotion of care, and public investment in economic and social infrastructure for environmental protection have not been fully exploited. Furthermore, given weak environmental regulatory institutions in many developing countries, policy implementation is weak. This research will explore the possible synergies between social and environmental policies that can lead improved outcomes in both domains.

3. The politics and political-economy of policy choice

- What political or political-economy factors influence or determine policy choices in economic, social and other policy spheres?
- Within states, what different interests or alliances (e.g., between welfare and finance ministries) shape social policies?
- What forms of politics underpin or support different combinations of economic and social policies, or might account for the timing, sequencing or combination of policies?

The politics and processes through which social policies are conditioned by history, or that enable significant shifts in welfare policy to take place, are central to understanding the potential for transformative change. Increasing political awareness and social mobilization, and the spread and consolidation of representative democratic systems, significantly affect the forms, nature and impact of social policy. In countries experiencing

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the democratization process, such factors as electoral promises, populism, social alliances, social movements, and the authoritarian legacies of imperfect democracies or transitional governments have significant influence on the policy choices of governments. This raises a series of questions on the role of institutions, processes and actors in shaping economic and social policies in democratic contexts, which will be explored in this project.

4. The implementation and institutionalization of social policies

- What are the key institutions shaping the financing and management of social policy in different contexts?
- What factors drive social policy retrenchment or expansion, and support the institutionalization of social policies within the policy making context?

This research will examine how key programmes are financed and administered; how they evolve over time, and whether and how they become embedded in policy and institutionalized within government or state structures. This determines in turn how easy they are to dismantle or abandon. Most significantly we are concerned with how systems emerge as specific programmes evolve, expand or “link” with others (social assistance interventions becoming aligned with employment and social insurance, for example) to provide more comprehensive coverage.

5. Social and economic development outcomes:

- What are the impacts of different social policies within countries and across different contexts?
- What explains success, failure or variation?
- What are the new and innovative methods to assess social policy outcomes moving beyond assessment of immediate and mandated outcomes to the evaluation of its fitness for the institutional and policy environment, institutional complementarity, or sustainability?

Here the research project can draw on a large range of existing studies of the impact of particular programmes. However, less well researched are the broader set of policies, social institutions and social services that shape the impact of specific programmes, and the wider set of impacts or outcomes of programmes beyond their immediate welfare goals. In particular, evidence to explain the wider impacts of social policy on (local or national) economic or environmental issues, and the changes in the forms of citizen engagement, political alliances, or a social contract around welfare issues is still needed.

6. Additionally, particular attention will be paid to the multiple types of inequality and exclusion in all contexts, with a specific focus on issues of gender and social reproduction.

Collectively, answers to these sets of questions though in-depth case studies and comparative analysis across countries and programmes will help address the following broader issues of concern:

- **The emergence of new welfare regimes or systems**: Are we seeing the development of alternative welfare approaches, systems or even “regimes” in emerging
economies? Do these contribute to a set of alternative experiences or approaches that can assist low-income countries in defining and pursuing successful development paths that balance economic and social goals?

- **The scope for policy transfer:** What mechanisms exist for sharing these experiences? Policy dialogues will be organized to explore the ways in which the transfer of “successful” policies and programmes is occurring or could occur among emerging and lower income countries. How are ideas and experiences currently spreading or being shared? What economic, political and institutional conditions need to be in place to facilitate exchange and transfer of ideas, or the adaptation or replication of programmes?

A project methodology workshop will be organized to develop collectively the conceptual framework and methods that will enable comparative analysis across all the country studies. An initial methodology paper will be produced for discussion among the country teams. Some preliminary ideas drawing on existing literatures, which will form a basis for further development and discussion, are included in the Annex.

**Country Cases**

The analysis will focus on a number of countries where (i) significant changes have occurred in recent years in social policy, and (ii) because of their regional and international visibility and relations, they (currently or potentially) act as important conduits in terms of policy learning and resource mobilization.

The project concerns the evolution of social policy in Brazil, China, India, Russia, South Africa, Sri Lanka, Ecuador, Ghana, Rwanda, Oman, UAE, Bahrain, Jordan, Morocco, and Tunisia for the following reasons. The project is interested in the evolution of social policy in Brazil, China, Ecuador, Ghana, India, Russia, Rwanda, South Africa and Sri Lanka, as well as the MENA countries of Bahrain, Jordan, Morocco, Oman, Tunisia and the United Arab Emirates, for the following reasons.

Brazil, China, India, Russia and South Africa, with increasing influence in international trade and political relations, are all significantly expanding social expenditure and welfare programmes, some of which are moving towards universal coverage. With the nature and speed of their economic growth showing differences, Brazil, China and India have also shown diversity in terms of the institutional drivers of universalization such as state planning governance mechanisms in China; democracy, federalism and civic participatory mechanisms in Brazil; and the strong normative institutions and rights-based social movement in India.9

Russia and Sri Lanka have also gone through a fundamental shift in approach to public social service provision: they are moving away from or reforming previous “egalitarian” or “universal” approaches (the meanings of which can be debated) with varying degrees of success in different sectors (Jayasuriya 2014; Cook forthcoming). Shifts in economic policies and in international production chains have significantly affected their systems of public social service provision. Changes in the roles and functions of the state, economic institutions (e.g., employers and trade unions) and civil society organizations are

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9 As for BRICS countries' movement towards universalism, see UNRISD Project Brief 3, Towards Universal Social Security in Emerging Economies (www.unrisd.org/pb3).
particularly notable in these countries’ moves away from “universal” systems of service provisioning.

Ghana and Rwanda show interesting political dynamics of social policy in post-conflict regulation and democratization in low-income countries. Both have witnessed relatively stable democratization processes since the 1990s and have improved their social service provisioning, particularly in the health sector. Although the major institutions and acts involved differ, systems linking statutory social security schemes and community-based social protection mechanisms, described as a “promising new approach”, are prominent in both countries (Coheur, Jasquier et al. 2007).

Bahrain, Ecuador, Oman and the United Arab Emirates are all countries with abundant mineral resources, and this leads to important questions about the development of welfare systems or programmes related to economic and environmental institutions in mineral-rich countries. In contrast, Jordan, Morocco and Tunisia have relatively poor natural resource endowments but are deeply integrated into the regional and global economies through trade, foreign direct investment, remittances and tourism. Because there is relatively little research on the social policies of Bahrain, Jordan, Morocco, Oman, Tunisia and the United Arab Emirates, this project aims to produce two or three regional exploratory studies. Different methods of clustering the countries can be envisaged, such as political regime (monarchy / military / party-state authoritarian, fragmented parliamentary democracy), resource / labour endowment (resource-rich / labour-abundant, resource-rich / labour-importing, resource-poor) or welfare approach (universal / targeted) (Karshenas and Moghadam 2006; World Bank 2007).

Countries other than those listed above may be considered depending on budget availability and likely contribution to the objectives of the research.

Activities, Partners and Timeframe

The research project is planned to take place over three years (January 2014 to December 2016).

Preparatory workshop

A project inception workshop was held in April 2014 to identify and discuss key issues and questions related to changes in social policy contexts, and in social policies, in emerging and developing countries. More information and background papers are available at (www.unrisg.org/ndsp).

Thematic/background research

Eight thematic/background papers will be written by leading scholars in the field, selected by UNRISD through its research network.

1. Evolution of social policy concepts and theories

This paper will describe the evolution of key concepts and theories of social policy (particularly theories of the development of welfare states, regimes and social policies), and explain the limitations and potentials in extrapolating the development of welfare states, regimes and social policies. It will pay particular attention to key aspects of the welfare state, diverse trajectories of development towards universalism.
in various areas of social policy, existing explanatory frameworks and their limitations, and new approaches to be further explored.

2. New challenges, risks, and complexities in the era of neoliberalism

This paper will provide information on the risks and challenges, major conditions, key institutions, actors and processes which are new compared to those having conditioned Post-war welfare states in advanced countries, and strongly influence the forms and contents, and developmental trajectories of social policy in both developed and developing countries in the era of Neoliberalism. It will describe the nature and impact of common determinants such as globalization and liberalization, and diverse institutional responses. It will focus on those factors shaping the variety of institutional responses.

3. Changing boundaries and partnership in social policy: the state, market and civil society at global/regional/national/local levels

This paper will explain how state, market, and civil society have changed their roles and activities, and transgress to each other’s boundaries. It will describe the emergence of new forms of actors with multiple or mixed identities intervening in multiple areas, becoming interlocutors of institutional complementarity. It will pay particular attention to newly emerging political and policy dynamics in the context of blurred boundaries and roles of the state, market, and civil society. Interactions of institutions, actors and processes between global, regional, national and local level will be explained too.

4. Measuring institutional complementarity of welfare states

This paper will explain the concept of institutional complementarity in social policy context, and will suggest methodologies to measure various kinds of institutional complementarity including institutional complementarity in terms of performance, and institutional complementarity as a dynamic stability10.

5. New political dimensions of social policy

This paper will describe the changes in political contexts and systems which are closely associated with social policy changes, in particular in the era of neoliberalism characterized by the retreat of the state, the diffusion of state authority to international and regional policy regimes and the market, as well as by widespread political awakening. Changes to contexts and systems will include those related to the main actors, institutions and political processes in new and/or old political dimensions of welfare regimes which are increasingly important in reforming social policy. It will highlight the changing roles, nature, and functions of democratic institutions and activities such as democratic election and participation.

6. Economic planning and social planning

This paper will review the historical evolution of planning ideas, explain the institutional implication of planning for social policy, and identify main actors and core institutions of planning practices, especially those related to social policy. It will

10 Dynamic stability refers to a kind of institutional complementarity between two (or more) institutional forms when the existence of one form reinforces the existence of the other(s). It is a different concept from institutional complementarity in terms of performance since it does not measure systemic performance. See Amable (2003) for various definitions of institutional complementarity. Amable, B. (2003) The Diversity of Modern Capitalism, Oxford, Oxford University Press.
provide insight on new forms of planning conducive to sustainable development in which the coordination between economic, social and environmental institutions is a key mechanism. It will review diverse patterns of planning for sustainable development addressing new challenges and risks of the economic, social and environmental dimensions in the 21st century with a specific focus on the role of social policy.

7. **Global social policy in the era of Post 2015: actors, institutions, process and strategies**

This paper will identify various global policy initiatives affecting national social policy, and explain their nature, functions, and impact on national social policies. It will highlight the political dimension of the interaction between global policy initiatives and national social policy, and will explain diverse patterns of interaction between global/regional and national level for social policy expansion. It will pay particular attention to recent global initiatives such as the MDGs, social protection floor, universal health coverage and the Post MDG debate, pointing out their limitations and potentials.

8. **Synthesis paper used as an introduction to an edited volume**

This paper will synthesize and articulate the findings and messages of the above seven papers. It can be used as an introduction paper for the methodological approach of the project, and also as an introduction chapter of the edited volume with the addition of the summaries of the case country studies.

**Case country/cluster research**

Country/cluster teams will be selected from among UNRISD’s existing research network, and through a call for research interest, in the following time frame:

- Call for expressions of interest: **19 August 2014 – 15 October 2014**
- Consultation with shortlisted applicants and final selection: **15 October 2014 – 10 November 2014** (consultations will take place via email, Skype or other means)

The project methodology will be developed jointly with the country/cluster research teams at a methodology workshop, tentatively scheduled for **15-16 December 2014**. A background paper, building on the initial framework ideas presented in the annex to this concept note, will be circulated in advance as a basis for discussion; the background paper on institutional complementarities (see page 14 above) will also inform the discussion. Participants from the selected country teams will present more fully developed concept notes for their country/cluster research, and will discuss how the research questions and approach apply to each case, as well as conceptual and analytical frameworks, and the overall project time frame. The objectives of the workshop will be to build broad consensus around the project’s comparative framework, including the meanings of key concepts, methods for the collection of primary and secondary data, and measurement of institutional complementarity.

Country/cluster research teams will undertake in-depth case studies to address the research questions, with reference to the guiding framework, approach and methods for the country case studies, described in this concept note. Teams will remain in close contact with UNRISD throughout the project cycle, including the design and implementation of data collection and analysis. Teams will employ both qualitative and quantitative methods to collect and analyse primary (original) and secondary data. To do so they will:
• identify existing secondary data relevant to the research questions;
• establish a strategy and method for primary data collection for the purpose of the study;
• establish a budget for secondary and primary data collection within a certain limit (in accordance with the budget guidelines provided by UNRISD);
• conduct primary and secondary data collection;
• process primary and secondary data; and
• submit a report of the filed work/data collection, including raw data in a usable form.

**Single-country papers**

• Four papers (three papers with specific themes addressing the research questions described in this concept note, and one synthesis paper) will be produced by each country team.
• Each paper of 10,000 – 12,000 words will include an abstract (500 words), a bibliography, and endnotes in UNRISD style.
• The authors must obtain all copyright and other relevant permissions from the rights holders for any graphs, tables or long quotes reproduced in their papers.
• UNRISD will hold the copyright to all works produced under the project.

**Papers on clusters of MENA countries**

• A single paper on the selected cluster of MENA countries will be produced by the researcher(s).
• The paper of 10,000 – 12,000 words will include an abstract (500 words), a bibliography, and endnotes in UNRISD style.
• The authors(s) must obtain all copyright and other relevant permissions from the rights holders for any graphs, tables or long quotes reproduced in their papers.
• UNRISD will hold the copyright to all works produced under the project.
Annex
Reference Framework for Approaches and Methods

Institutional approach to change and its methodological implications

Recent attempts to understand institutional changes have provided us with valuable knowledge on the themes related to identification of institutional changes, sources or drivers of change, the role of agencies in institutional change, and change as dialectical process of actions, meanings and actors (Dacin, Goodstein et al. 2002; Mahoney and Thelen 2010). They have also offered us several valuable methodological lessons for research on institutional changes.

First, How external shocks are understood and interpreted is an important factor to determine the nature of institutional change since the interpretation justifies or rejects actions responding to external shocks. The appropriateness of a policy goal is mostly determined by the dialectic interplay of interpretations and actions surrounding external shocks.

Second, the policy field is an institutional arena where multiple institutional logics and ideas exist and compete for attention from actors. The interests of actors in different ideas about social policy are various and practices are diverse at different levels. Actors use a variety of means to legitimize institutional changes they pursue, such as conformity of the changes to field-level cognitive interpretations, market feedback, and development of constitutive rules that provide guidelines for change. This implies that institutional change is a process composed of competition, confrontation, coordination and alliances of ideas, practices and actors. The way institutional change is legitimized is as important as the established legitimacy of the institutions itself to understand successful diffusion and institutionalization of ideas and practices.

Third, the deinstitutionalization process, i.e. “the processes by which institutions weaken and disappear (Scott 2001)” is as important as institutional construction and convergent change processes since the “weakening and disappearance of one set of beliefs and practices is likely to be associated with the arrival of new beliefs and practices (2001: 184)”. It is important to pay attention to political and social as well as functional sources of change or deinstitutionalization, since the criteria for functional performance is often established by political and social changes in the environment where the institutions in question are placed.

Fourth, institutional change can take place from the most micro interpersonal and sub-organizational levels to the most macro societal and global levels. Institutions can change in relatively brief and concentrated periods or over time measured in decades or centuries. Researchers cannot easily discern incremental and gradual changes compared to abrupt changes that show large discontinuities with former institutions. Analytical tools for discerning micro-level and incremental changes should be devised. This is particularly important for those studying the cases of institutional change within a relatively short period of time.
Fifth, one of the major characteristics of current globalization is that new ideas and models, be they economic (such as new forms of firms and management skills) or social institutions (such as Bolsa Familia), travel far and wide. It is also true that general concepts and principles are transferred but outcomes produced are divergent (Czarniawska and Sevon 1996). Who carries ideas and models, and how they are transferred are important questions to understanding changes in institutions. Given the increasing importance of international organizations in affecting policy options in developing countries, the question about the carriers of ideas and models (including symbols, relations, artifacts, routines, professional associations, nongovernmental international organizations, international governmental organizations, international financial institutions, donor countries, multinational corporations, and consultants) are particularly important in the analysis of institutional changes. It is critical, however, to keep in mind that domestic institutions are not sponges or pawns and that institutional changes are often a co-product of both domestic and international institutions.

Finally, the research on institutional change and continuity tends to focus on changes or continuities of a single population of institutions such as schools and hospitals, or a single field such as health, education or housing. Despite its great value, such research on institutional change and continuity in a single population or field runs the risk of ignoring changes in other populations of institutions in the same field or the institutions in other fields which may incur more profound transformation the population of institutions in question. Such changes taking place in these inter-fields or inter-institutions are often a major factor bringing about change in a specific population of institutions. The research should broaden the scope of analysis taking into account of these relational and boundary features of institutions.

These lessons point to the importance of employing both qualitative and quantitative research strategies in a complementary way. In particular the use of qualitative methods such as interviews, archival records, and participation observations will help us to capture what may be thus far unnoticed with an analysis focusing on the macro level and structures.

Changes in social policy

Social policy can be defined in broad terms as a collective intervention, i.e. intervention by the state, corporate entity, community, etc., into the economy to affect the individual’s income, consumption, investment and living conditions of and for capability. The state, or other collective entity intervenes in various stages of social and economic processes in which resources take different properties as they are converted from wages to income, buying power, consumption and investment. In this process, social policy affects the institutions and policies in the spheres of production, redistribution, protection and reproduction.

Social policy defined in this way therefore encompasses various activities as follows.

- It goes beyond activities in the conventional machinery of social policy and encompasses organized activities with redistributed effects, such as fiscal welfare policies, occupational welfare policies, subsidized price policy, and wage policy;
- it includes organized activities to affect knowledge and skills (core components of human capital in economists’ terms);
• it includes organized activities to affect working conditions and living conditions which are closely related to productivity and living standards; and
• it includes organized activities to affect the creation and distribution of care burden which is a major factor that shapes the pattern of reproduction.

Analysis of changes and continuity in social policy, therefore, requires a wider and more comprehensive scope and deeper understanding of the factors affecting social policy development as follows.

First, each specific system of public provision of social welfare has its own distinctive features, because each has its own specific set of stakeholders, the mechanisms through which the welfare benefits and services affect the income and living conditions and the relationship with other policies and institutions (Fine 2014). However, sole focus on a social policy programme and its impact on the mandated tasks or goals is also problematic for identifying and analysing social policy changes since it ignores the spillover effects of other policies on the social policy programme in question.

Second, in delineating the boundary of social policy, what we have to keep in mind is that “the frontiers of distributional conflict may change over time (Korpi 1980: 397)”. This is a particularly important maxim in developing countries’ contexts where the major distributional conflict often takes place in other spheres than the conventional social policy realms.

Third, the size of a specific social policy programme’s share of public expenditure does not always correspond to the importance of that programme in all public interventions affecting the income and living conditions (Cotinho 2014). When the major distributional conflict shifted from a specific social insurance programme to another sphere, the stability of that specific social insurance programme may represent the decreasing importance of that programme in distributional conflicts. This implies that identifying changes in social policy must go beyond the conventional methods of measuring the size of the programme in terms of its share of GDP or the government expenditure. We need to also focus on the non-pecuniary costs such as the political and administrative attention and costs, and the impact of non-social policy with major distributive impact such as wage policy which affects the roles and functions of social policy.

Fourth, a longer term perspective, in particular attention to the establishment of enabling infrastructure for social policy development, is particularly important. For instance, empirical studies, except for those focusing on newly established schemes or regime change, tend to emphasize the impact of social policy within a fixed time frame. It does not take into account the importance of infrastructure which might have been built far earlier than the social policy changes assumed to explain the impact changes. In the case of Thailand, the 30 Bhat universal health care scheme and its significant impact on health coverage were partly due to the investment in health infrastructure in rural areas which took place far earlier than the establishment of the 30 Bhat scheme (Yivayanond and Hanvoravongchai 2014).

Fifth, a majority of social policy research, in particular research on regime characteristics and changes tend to highlight the continuity of a social policy programme rather than paying attention to its piecemeal changes. This assumption often creates a tendency to focus on “big” changes such as the establishment of new programme and drastic
overhaul in the core elements such as financing and the eligibility criteria, and ignore “small” scale changes such as the institutional add-up and the institutional hierarchy change. For instance, low resistance to changes from the state managed welfare system to the private system in Russia can be adequately explained by the increased irregularities and corruption in the state managed system and the widespread discontents under the former Soviet Union (Cook forthcoming).

Sixth, the research often fails to point out the significance of changes in the elements constituting a specific social policy programme, or in the importance or weight given to a specific element which often brings about big change in terms of institutional development and its outcomes. Many researchers of Bolsa Familia often attribute the establishment and success of the programme to the amalgamation of the existing cash transfer programmes and political will of the Lula government, paying less attention to significant changes the management of Bolsa Familia, which was qualitatively different from other forms of social assistance programmes under the Lula government. The political will of the Lula government was realized through the Federal management of Bolsa Familia and the political attention of the government to the success of Bolsa Familia as a flagship programme of the Lula government in circumstances where the other cash transfer programmes managed by local governments achieved less satisfactory outcomes (Soares 2012; Cotinho 2014).

Finally, related to the previous point, focusing on big changes often neglects the attitudinal changes in players or key players affected by the institutions which is closely related to implementation problems in many developing countries. The recent research on Vietnamese social insurance schemes highlights the deficits in implementing the law rather than the shortcomings of the existing law as a reason for the low enrolment rate of the compulsory social insurance; less than 20% of the total workforce (Meissner 2014).

In order to capture the short-term, gradual, and dramatic changes in social policy programmes or within welfare regimes of developing countries, we suggest the following typology of institutional change:

- The total displacement of institutions (transition of socialist to market economy in a “big bang” style, such as in the former Soviet Union);
- A core institution is replaced with a new core institution (the gradual transition of a socialist to market economy such as in China and Vietnam);
- A core institution remains intact but new institutional elements are added to that core (such as the establishment of small scale cash transfer programmes in Indonesia);
- Institutions remain intact but the hierarchy of institutions has changed with the core becoming the periphery, and vice versa (Such as cash transfer programmes becoming a major tool for poverty reduction in Brazil);
- Institutions remain more or less intact but the ways actors utilize or deal with those institutions changes, creating new meaning (such as through the increased participation of civil society organisations in political, economic and social realms: participatory budgeting and increased social and solidarity economies); and
- Institutions remain intact but the policy environment or institutions and policies in other dimensions change, and as a consequence, the impact of the institution changes (such as in the reduction of the purchasing capacity of social policy benefits due to high inflation in Chile).
Although these types are neither comprehensive nor mutually exclusive, they provide a useful lens for the description changes in social policies. Through this lens, we can identify various types of newness in the changes in social policy, its environment and actors involved in developing countries (Mahoney and Thelen 2010).

Identifying key social policies

Key social policies can be identified with both quantitative and qualitative methods which help us to broaden the scope of key aspects beyond expenditure. The nature, the role and impact of the programme such as the total pecuniary and non-pecuniary costs, and the degree of importance such as the status in institutional hierarchy are found through qualitative research and explained with quantitative data. For instance, Bolsa Familia is a small programme even compared with other social assistance programmes in terms of its share in public expenditure, but is far more important and maybe more costly programme since the time and energy spent by both government officers and civil society organisations to manage the programme (Cotinho 2014), which is now only found with qualitative research, and has yet to be measured in quantitative terms. Important challenges would be whether there is an available data which we can use, or feasible way to collect this kind of data.

Drivers of change in social policy

The development of the welfare state has often been explained by four major factors: industrialization, political alliance, state capacity, and international diffusion. In the case of adoption of five major social insurance programmes in the rich western countries, domestic factors of industrialization, political alliance and the state capacity have been found to have a better explanatory power than the international diffusion factor (Kim 1997). However, since the re-emergence of poverty reduction as a central element of development strategy in the 1990s, and the MDG in the 2000s, the international diffusion of ideas became more prevalent and active in various international organisations and fora, which has had a significant impact on the development strategy and policies, in particular social policies in developing countries.

Research on the development of welfare states or social policy development in developing countries, in particular those with rapid economic growth such as the New Industrial Economies, has found that the state has played a significant role in establishing and expanding social policy programmes. This reflects its specific socio-economic structure, such as the industrial structure and culture and tradition. The argument goes that the state has subordinated social policy and its concerns to economic policy and its goals, often referred to as the developmental welfare state or productivist welfare regime (Holliday 2000; Gough 2004). Although this strand of explanation “highlights the linkage between social policy and economic policy, it does not identify the diverse forms and nature of the subordination of social policy: whether it was solely productivist or if it also reduced poverty; whether it provided protection or was redistributive; during which phases of the process of industrialization it was implemented; and which relative weights were attached to the objectives over the different phases of industrialization (Mkandawire and Yi 2014)”. The insensitivity to the diverse forms and nature of social policy and the various intensity of subordination to accumulation and economic structural transformation found in this type of argument is partly related to the exaggeration of the degree of insulation of the state from social pressures, significantly influenced by the theories of developmental states. However, many historical cases show that social policy was used as a political tool for strengthening legitimacy either by pre-
empting the more radical demands of the social forces empowered in the process of rapid industrialization, or increasing political support. Regardless of the nature of their political regimes, the state in developing countries was not completely blind to the social demands of society and to the imperatives of legitimacy and “infrastructural power” (Mkandawire and Yi 2014).

With the broad scope of analysis on economic, social and political drivers of social policy change, this research seeks answers to questions about the drivers of social policy changes (Why and how are the changes in the nature and scope of social policies occurring; through what kinds of economic, social or other policies, programmes or institutional and political arrangements?) This will be sought through the analysis of the evolution of institutions, i.e. ideas, norms, rules, conventions, and polices which affect the goals, strategies, and interests of individual and collective actors.

Given the special interest of the project in the ways the ideas and policies are dispersed between and within countries, the research should seek to explain the key institutions, actors, and processes for knowledge sharing to understand how learning about new policies and programmes is being shared among countries in the South.

Explaining relationships between social, economic and environmental institutions and policies

When institutions affect one sector or policy area such as education, health, labour market, financial system, and skill training, they have consequences beyond that particular area. Therefore, institutions’ influences on the economy should not be considered independently from one another (Amable 2003). In one policy area, you can find a wide variety of institutional configurations which can perform best. For instance, in the financial system, a bank-based system and a financial market based system could both lead to a low cost of capital and a high level of investment (Amable 2003). This may lead us to the question of institutional choice of players or actors in one area. What factors affect the institutional choices of the actors? One frequently overlooked factor is the presence of institutions in other areas. The nature, forms, functions and impacts of institutions in other areas affect the institutional choice made by individual actors or collective entities in the area concerned. For instance, the alternative job a worker is seeking may depend on his skill level and hence on the institutions of the education and training system. And the alternative option for the firm may depend on its relocation possibilities, i.e. on the regulatory environment or the liquidity of the financial market (Amable 2003). This observation brings the issue of institutional complementarity to the fore in researching relational issues of institutions, such as the relationship between social, economic and environmental institutions and policies. Various institutions and policies related to power structures, the distribution and redistribution of access to resources, production of goods and services, and consumption affects social, economic and environmental outcomes. How do these institutions interact with each other to determine outcomes? Answering this question can be one approach to assessing the relationship between social, economic and social policies.

A simple but plausible way to answer the question of whether institutions are complementary or not is to identify key institutions closely affecting each other through qualitative and quantitative methods in two different areas, choose the appropriate performance criteria of element institution for the research purpose and measure and compare the performance of institutional combination with each of the institutions (See Boyer 2008 for the details).
For instance, two institutions, i.e. economic policy \( E \) and social policy \( S \), are said to be complementary if the performance \( R \) of the conjunction of \( E \) and \( S \) is superior to the performance of each element institution considered separately:

\[
R (E, S) > R (E) \text{ and } R (E, S) > R (S)
\]

In order to examine complementarity, we need to choose a criterion of performance \( R \), and should be able to check the basic property of various systems by using fictitious models or by observing empirical cases of systems composed of only \( E \) (or only \( S \)) and both \( E \) and \( S \).

Some researchers have already shown interesting examples of institutional complementarities by modelling empirical cases. For instance, Amable et al. (2005) explains the institutional complementarity between industrial relations and system of investment finance with a focus on the institutional features of capital/labour relations, and the conflict between capital owners and the firm’s management on the issue of corporate governance. Another example is the different systems of skill formation and firms’ investment financing. For instance, the German system of financing (bank-centred financial system relying on bank credits for investment) is complementary to an education and training policy promoting firm-specific skills, while the US system of financing (market-based financial system relying on the stock market for investment) is complementary to an education and training system promoting “portable” or general job skills.

In the case of German system, \( R(B,F) > R (B) \) and \( R(B, F) > R(F) \)

Where \( R \): employment, \( B \): bank-centred financial system, \( F \): firm-specific skill training system.

In the case of the US system, \( R(M,G) > R (M) \) and \( R (M,G) > R (G) \)

Where \( R \): employment, \( M \): Market-based financial system, \( G \): education and training system promoting “portable” or general job skills.

Another example is the institutional complementarities between different systems of skill provision and other institutions facilitating the coordination of employers, on the one hand, and institutions of social protection on the other hand (Philip and Seils 1999; Mares 2001). Mares’ research on firms’ preference towards different social policies show interesting examples of complementarities between skill profile of firms and the institutions facilitating the coordination of employers on the one hand and the institutions of social protection such as disability insurance, unemployment insurance, early retirement systems (Mares 2001).

Approaches to examine the impact of social policy interventions

Income and living conditions are affected by multifaceted factors of various policy areas throughout various stages of resource flow and life course. There may be several ways to examine the impact of social policy interventions on income and living conditions (Korpi 1980). Firstly, we may be able to examine the impact of social policy according to the mandates of policy areas which are generally institutionalized through governmental departments and agencies such as education, health, housing, income maintenance and compensation etc. The institutions and policies in these policy areas or sectors obviously have institutional and policy connections affecting economic and environmental
outcomes. Therefore, we can assess the impact of social policy intervention in various stages in the process of production, exchange and consumption of resources and services. The stages in this process can be represented roughly by four distinctive stages in which resource converts to different forms: wage, income, buying power and consumption and savings. Employees receive wages or salary in return for their participation on the labour market. State interventions such as education and training, minimum wage law, legislation affecting the bargaining power of unions or policies to compress wage gaps affect the wages going to employees. The levels of participation in the labour force and the forms of employment may affect the conversion of wages into income. The active labour market policy, industrial policies to create jobs, and public works programmes can be effective interventions into income generation. The conversion of income into buying power, of both individual and household, are affected by a variety of policies such as fiscal and macro-economic policies determining the size of disposable income and level of price of goods and services. As a final stage, we can think of consumption and savings. Consumption as the source of market demand and the way we consume together with environmental policy affects the environment. Savings is a source of investment and naturally closely related to industrial policy, particularly that of investment.

Finally, a specific social policy programme has different degrees of impact on life chances throughout the life course. The indirect impact of a specific social welfare programme aimed at a specific age group on other age groups, such as the impact on child welfare of a pension for the elderly can be captured from the life course approach. A variety of sets of social policies with varying degrees of institutional complementary among themselves will be examined for their specific impacts on different age groups representing each of three concerned life stages such as the children, the economically active population and the elderly (or the retired).
Politics of social policy in developing countries

The distribution of power differs between nations and changes over time. The control over power is a major factor affecting the functioning of the distributive and redistributive processes within society, what the outcomes of these processes are and how distributional conflict is patterned (Korpi 1980).

In developing countries, power is often distributed along the lines of specific social, economic and political groups rather than socio-economic class of the economically advanced countries. Therefore, the major power resources in developing countries are assumed to be related to more diverse factors than the class structure in Eurocentric definitions. Therefore, it is a critical task to identify the changes of power distribution, and explain the factors affecting power distribution and the impact of power distribution on the distribution and redistribution of resources to explain how the distribution of power affect production as well as distribution and redistribution of resources at the societal and household levels.

Political institutional changes are closely related to the changes of power distribution. In the case of South Africa, social movements and the structure of participatory democracy gradually declined as the transition to a post-apartheid society consolidated. The new democratic state prioritized representative democracy as a dominant institution while discouraging participatory democracy event though the latter was inscribed in the Constitution (Buhlungu 2007).

This is a particularly important observation given the spread of representative democratic systems in developing countries. There have been a widespread anticipation that social policy expansion would be the democratic dividends in newly democratized countries. However, representative (or electoral) democracy can serve as both means of social expenditure cuts as in the case of most Eastern European countries, and the expansion of social expenditure in many cases of Latin America. What makes the difference between these two democracies? Which democracy works for what? In order to answer this question, we may have to carefully examine the roles and functions of political institutions to affect social policy outcomes in developing countries such as the structure of veto players and veto points, the dominant socio-political bloc and alliance, and dominant ideas which provide the frame within which the agents’ interests can be collectively expressed under the form of political demand.
Bibliography


