Shifting the Global Social Policy Discourse:
The impact of the global economic crisis on ideas about social protection, social development and global social governance.

Bob Deacon
Professor of International Social Policy, University of Sheffield, UK

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STRUCTURE OF PRESENTATION

• Social Policy and Social Development

Has the crisis favoured residual safety nets, universal social protection or state-lead social investment welfare states?

Here discuss the global social floor and the “reformed” IMF

• Global Social Governance

Has the crisis strengthened or weakened the UN?

Here discuss the ONE–UN policy, UN-G20 contest, the global taxation issue and the alternative of world regionalism
Global Social Floor

• A recent public presentation of the campaign for a Global Social Floor brought together Isabel Ortiz, then Senior Policy Advisor, UN DESA, Michael Cichon, Director, Social Security Department, ILO, Silvia Stefanoni, Director, HelpAgeInternational and Gaspar Fajth, UNICEF on a public side event at the Doha Financing for Development Conference in December 2008 entitled “A new Deal for People in a Global Crisis: Social Security for All”

• “The current global financial crisis is an opportunity to create a Global New Deal to deliver social protection in all countries through basic old age and disability pensions, child benefits, employment programs, and provision of social services……”

• Often articulated as a minimum social protection package
Critique of Global Social Floor

“The issue to be addressed is the middle class and their historic role in state lead development. Effective functioning states which meet the welfare needs of their citizens and residents do so because they also meet the welfare needs of their state builders. In sum:

- **A focus on the poor distracts from cross class solidarity building.**
- **A focus on the poor undermines the middle class commitment to pay taxes.**
- **Countries need higher education as well as primary, city hospitals as well as rural clinics, wage related pensions as well as social pensions and cash transfers to poor.**
- **We need to pay civil servants, judges, tax collectors more money to avoid endemic corruption.**
- **The recurrent budget of the state needs to be in aid budgets.”**
The Global Meetings? Safety nets, global social floor or state lead social investments

- The UNCEB endorses the Global Social Floor?
- The G20 and IMF points to safety nets?
- UNESCO’s MOST, UNRISD, UNCTAD call for a state lead social investment strategy
- UN failed June conference might have supported this too (see later)
UN Chief Executive Board

• UN Chief Executive Board in Paris in April generated the CEB Issue Paper; *The Global Financial Crisis and its impact on the work of the UN system.*

• Initiative six: A “Social Protection Floor which ensures access to basic social services, shelter, and empowerment and protection of the poor and vulnerable”.

• The June 2009 UNCEB document (UN CEB, 2009): a “floor (that) could consist of two main elements: (a) public services: geographical and financial access to essential public services (water, sanitation, health, education); and (b) Transfers: a basic set of essential social transfers…..to provide a minimum income security”. The ILO and WHO would lead on this policy supported by a host of other agencies such as UNICEF, UNDESA etc.

• The Global Social Floor had become UN policy at least in terms of the UNCEB.
IMF Reformed or not?

• Strauss-Kahn, new IMF Boss, insists it’s a new IMF and its website insists “the IMF tries to ensure that economic adjustments taken to combat the impact of the crisis also take account of the needs of the most vulnerable by developing or enhancing social safety nets. Social spending is being preserved or increased wherever possible. For instance, in Pakistan expenditure will be increased to protect the poor through both cash transfers and targeted electricity subsidies. About a third of programs in low-income countries include floors on social and other priority spending. Structural reforms are designed in a way to protect the most vulnerable. For instance in Hungary, low-income pensioners were excluded from benefit reduction”.
IMF Reformed or not?

• The Centre for Economic Policy Research (CEPR) finds that nine agreements that the Fund has negotiated since September 2008, including Eastern European countries, El Salvador, and Pakistan – contain some elements of contractionary policies. These include fiscal (budget) tightening, interest rate increases, wage freezes for public employees, and other measures that will reduce aggregate demand or prevent economic stimulus programs in the current downturn.

• Eurodad’s analysis (Molina-Gallart 2009) of ten IMF agreements signed in the last six months shows that the IMF is still advising stringent fiscal and monetary policies to low income countries as well as controversial structural reforms.
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<tbody>
<tr>
<td><strong>18th May</strong></td>
</tr>
<tr>
<td><strong>causes</strong></td>
</tr>
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<td><strong>IMF conditionalities</strong></td>
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<td><strong>New Sources of Finance</strong></td>
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<td><strong>Economic Security Council</strong></td>
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The Global Governance Crisis

• The G20 and the more-or less unreformed IMF drive the post-crisis agenda while the UN presents all of its usual contradictory features to engender despair in its supporters. On the one hand it advances at the level of ideas towards a global social floor or even state lead developmental but cant stop the IMF and Bank pursuing a more modest agenda.

• The UN arranges set piece global conferences with the prospect of making a major global advance only to be derailed by an alliance of mainly northern national interests.

• What is to be done?”
Global Governance crisis

- ODI; “ECOSOC has the broad mandate and legitimacy, but finds it hard to deliver. The G20 has neither the full mandate nor the accountability, but it can deliver”

- Kermal Dervis ex UNDP. Advisor to UN Gen Sec on G20 talks of bringing the informal G-club system of governance and the formal UN system together.

- Pascal Lamy of WTO suggested “I see a new triangle of global governance emerging that we need to strengthen. On one side of the triangle lies the G20, providing political leadership and policy direction. On another side lie member-driven international organisations providing expertise and specialized inputs whether rules, policies or programmes. The third side of the triangle is the G-192, the United Nations, providing a forum for accountability”[i].

The linked Global Taxation issue

- "If donors want to escape their increasingly unmet aid commitments and if recipient countries want to be free of aid dependency then the search both technically and politically for sources of global funds to aid a massive global redistribution project become of central importance". (Notwithstanding the need for country revenue raising)

- Tax havens become regulated but no global tax authority?

- The Leading Group of countries did establish a Taskforce on International Financial Transactions and Development which met for the first time on October 22nd 2009. (and Gordon Brown supports it!)
South-South Cooperation and World Regional Social Policy

• “Rather than continued frustrating engagement with the stalled policy and governance agenda at a global level it would be better for the Global South to fashion its own social development policies in the new spirit of South-South Cooperation and World-regional co-operation”.