

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



EXPERT MEETING ON

Social Inclusion Programmes and Their Impact on Sustainable and Inclusive Development and Growth



Social Policy for Inclusive Development & Productive Transformation

Katja Hujo
Research Coordinator, UNRISD

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Research for Social Change



United Nations Research Institute for Social Development

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Roadmap

- Transformative Social Policy
- Social Inclusion: the case for universalism
- The Road to Social Inclusion:
 - Extension of Social Protection
 - Extension of Social Services
 - Growth paths, labour markets and social policy: linkages and policy innovations

Transformative Social Policy

- Is social policy grounded in universal rights that aims to:
 - ✓ enhance the productive capacities of individuals, groups and communities;
 - ✓ reinforce the progressive redistributive effects of economic policies;
 - ✓ reduce the burden of growth and reproduction of society, including care-related work, and
 - ✓ protect people from income loss and costs associated with unemployment, pregnancy, ill-health or disability, and old age.

Social Inclusion: The Case for Universalism

- Universal approach to social policy
 - economically sustainable, socially inclusive and democratically anchored
 - Greater equality of opportunities *and* outcomes
- Macro-impact of SP:
 - economic stabilization and growth
 - social cohesion, social capabilities
 - political legitimation
- Micro-impact of SP:
 - Increases well-being and individual capabilities
 - Universal programmes increase efficiency (lower costs, avoiding targeting errors)

The Road to Social Inclusion: Linkages between Employment and SP

- Labour market structures shape SP needs & options
 - Contribution-financed schemes only for “formal economy”
 - Labour taxation important share of fiscal revenues
 - Challenge in countries with high degree of informality
 - Full employment is a normative goal: social protection + employment policies necessary response to real world market outcomes (+ crisis)
- *Copenhagen Social Summit* emphasized linkages between poverty, unemployment and social exclusion
- ILO labour standards and conventions + Social Protection Floor Recommendation (No. 202) are a roadmap and strategy for building inclusive labour markets and social systems

Extension and Reform of Social Insurance

- Privatization revisited: poor record in terms of
 - Coverage, poverty reduction, redistribution
 - Resilience in times of systemic crisis (economic, financial)
 - Stabilization of macro economy
 - Gender equality
- Strengthening of public insurance:
 - Example Brazil, Costa Rica, S.Korea

Extension and Reform of Social Assistance

- Main questions concern:
 - Coverage/Principles: targeting or universalism
 - Adequacy
 - Type of programme
 - Legal and institutional framework
 - Financing
 - Implications for Labour Markets and Employment

Extension and Reform of Social Services

- Health

- National Social Protection Floor R 202 (ILO-UN); Health for All (WHO)
- Human capital argument
- Health sector and health-related industry economically important
- Challenges related to coverage (benefits and health expenditure) and quality

- Care

- Sector of growing economic importance
- Gender dimension
- Demographic change (ageing, fertility, migration) creates new care needs
- Unpaid care work

Social services cont.

- Education:
 - Right to education
 - Issue of quality
 - Role of education and training systems for productive transformation

Country examples

- Growth Path
- Developmentalism and industrialization
 - Rep. of Korea, Taiwan PoC
- The ‘social democratic’ model
 - Costa Rica
- Dualist economies
 - Argentina, Brazil, South Africa
- Agrarian-informal contexts
 - India, Tanzania
- Labour Markets (LM)
- From full employment to « mature » LMs
- Informality lower than LA average
- Dualist LMs: High informality LA, high unemployment SA
- Majority of labour force in informal economy; high percentage of working poor

Social Policy Innovations

- Group 1 (developmental-manufacture-led): South Korea
- Group 2 (dualist): Brazil
- Group 3 (social democratic-universal): Costa Rica
- Group 4 (agrarian-informal): India, Tanzania

South Korea: a Developmentalist Welfare State?

- Strong expansion of wage employment allowed increase in coverage rates in formal social insurance;
- After myth of life-time employment security was shattered with the Asian crisis, new social assistance (Minimum Living Standard Guarantee) and unemployment insurance programmes have been created;
- some challenges remain: labour markets, out of pocket payments in health sector, situation of irregular workers

Brazil: towards more social inclusion

- Parametric reforms of social insurance programmes
 - Reform of civil servant pension regime frees up funds and increases equity
- Extension of Social Assistance
 - *Fome Zero/Bolsa Familia* programme
 - Social pensions (rural pension, not means-tested, reaching more than 7 million people)
- Growth has created formal jobs; minimum wage legislation guarantees adequacy

Costa Rica: a social-democratic welfare model in Latin America?

- Strong commitment to universal provision of education and health
- Efforts to increase coverage of contribution-financed social insurance:
 - Mandatory affiliation for self-employed
 - State subsidy for contribution payments of difficult-to-cover groups (self-employed, peasants, domestic workers)
- High expenditure on social assistance financed through progressive payroll taxes

India and Tanzania: the challenge of informality

- India:
 - Multiplicity of programmes, innovative approaches, fiscal space
 - lack of coordination, fragmentation and low coverage
 - National Rural Employment Guarantee Scheme
- Tanzania:
 - Low coverage, multiple providers (NGOs, donors, communities), fiscal constraints

⇒ Bottom-up universalization?

Policies at the intersection of economic-social

- Supporting the rural economy
- Supporting small producers/traders
- Supporting social & solidarity economy (SSE)

Linking SP and Productive Employment: emerging questions

- Is de-linking of entitlements from labour market participation the answer for social protection (work rights vs. social rights)? And what would this mean for labour standards etc.?
- What are implications of a greater role of social assistance for financing social protection, workers'/ citizens' rights and social dialogue?
- How does social policy affect labour market participation for different groups (women, migrants, youth)?
- What is the role of public employment programmes/guarantee schemes?
- What are appropriate social policies for the informal urban economy and the rural sector?
- How can labour migrants be better protected?

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