

ICSW Global Conference in Brasilia 16-19 July, 2006

**Entry points for ICSW to promote  
Social Justice in national Poverty  
Reduction Strategy -processes**

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*People cannot be developed;  
they can only develop  
themselves.*

[Julius K. Nyerere]

# Disclaimer:

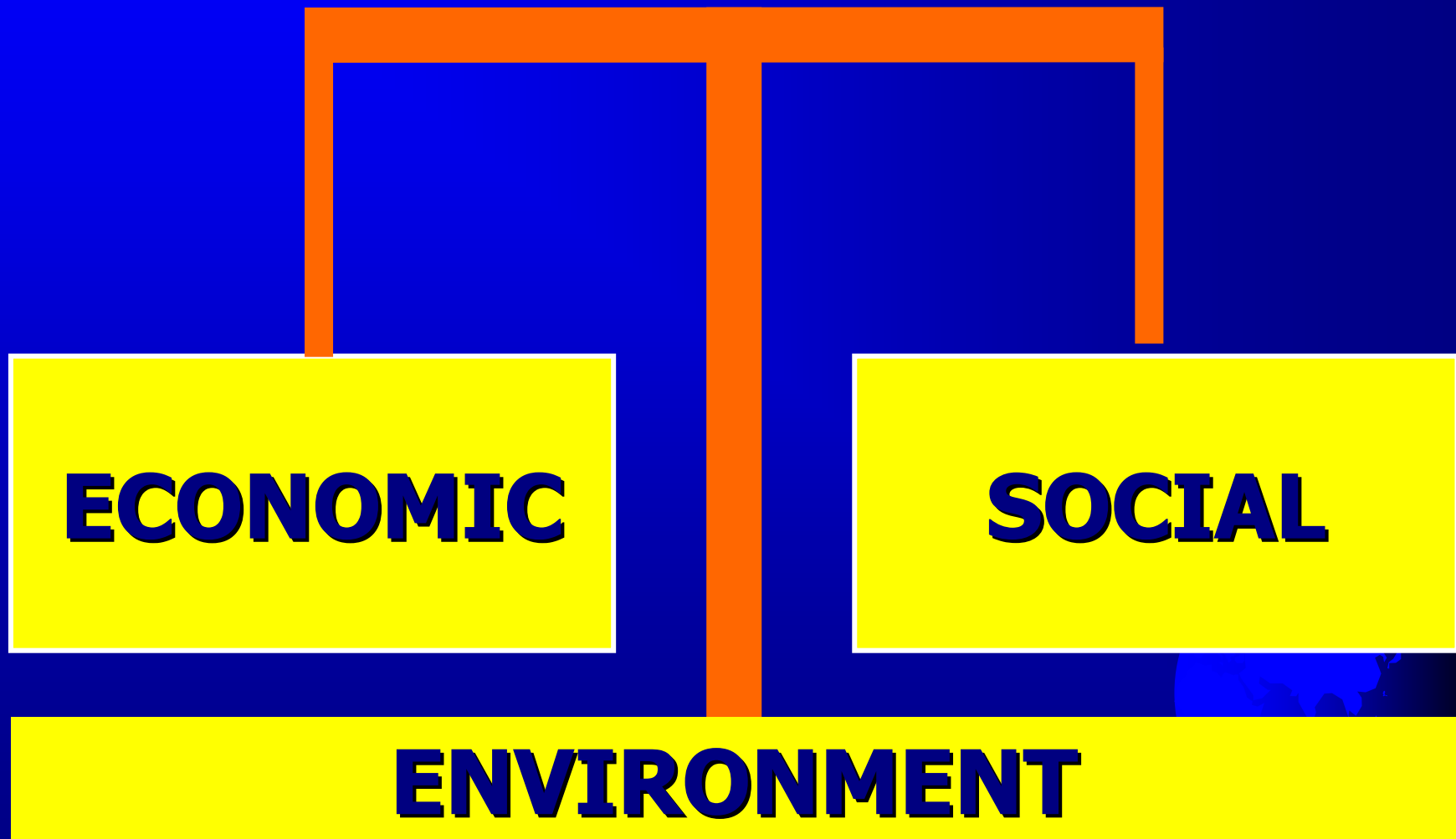
***'BRAINSTORMING',***  
**not official policies of**  
**MFA-Finland**



*The theme of this workshop:*  
**Poverty Reduction**

- Understood very broadly here:
- = not only MDG-1a (\$1/income poverty)
- = not only the MDGs
- = multi-dimensional human and social wellbeing = increase of social justice
- = sustainable development, with balance between the ECON / SOC / ENV dim's
- PovRed requires comprehensive SocPol

# The ECON & SOC & ENV should be in balance: *'Society for All'*

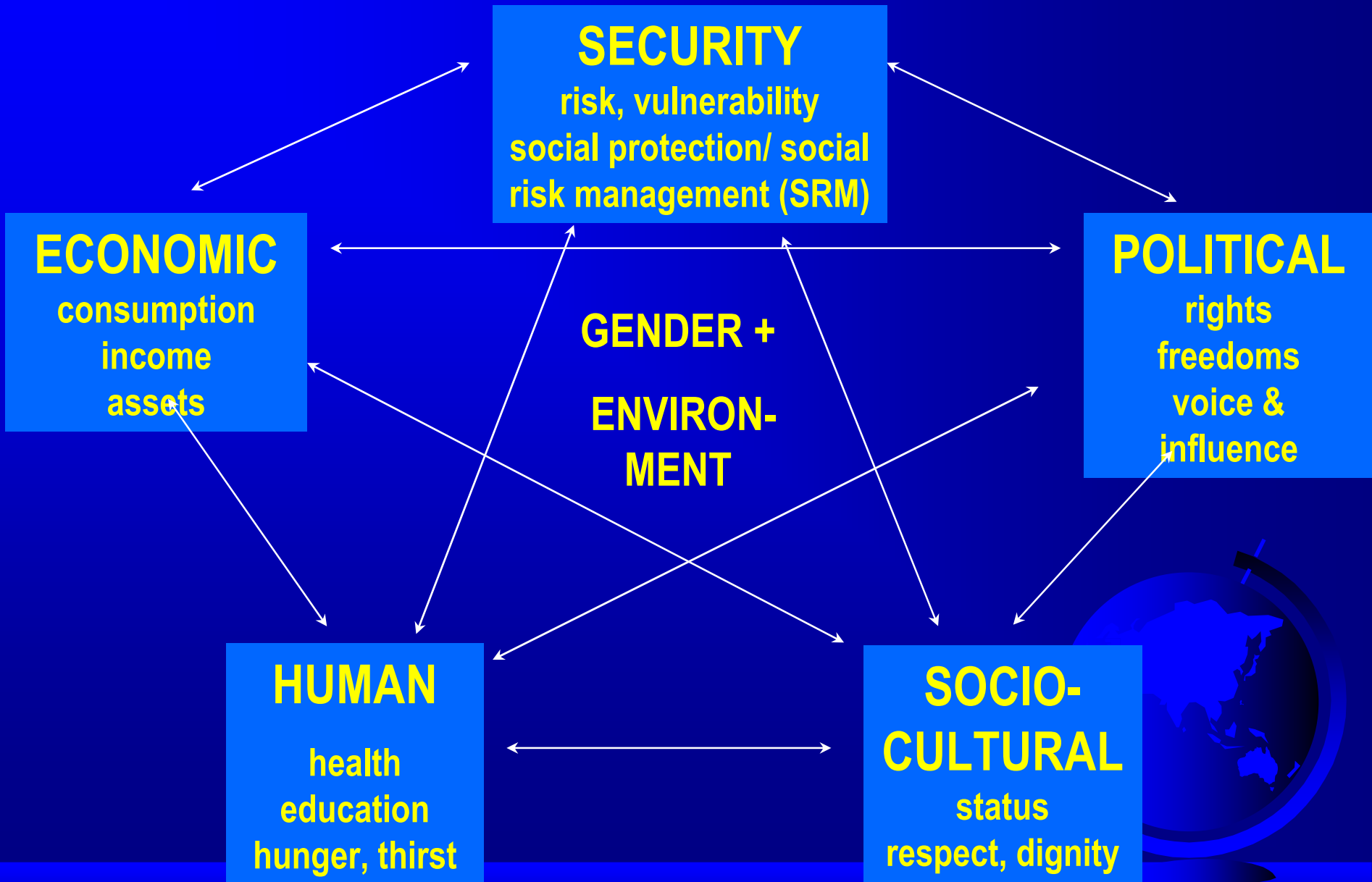


# UN: Millennium Development Goals (MDGs, 2000 → by 2015)

1. Reduction of **income poverty** and **hunger** (share of people living on < \$1/day & hungry halved by 2015)
2. Primary **education** for all
3. **Gender** equality and women's rights
4. **Child** (<5) mortality
5. **Maternal** mortality
6. Fight against **HIV/AIDS, malaria, TB**, etc.
7. **Environmental** sustainability
8. Global partnership (incl. **trade, debt relief, aid**)



# POVERTY is multi-dimensional (DAC-01)



# The World Bank agreed in WDR-2000: Poverty is MULTI-Dimensional

## OPPORTUNITY

- Pro-Poor Growth
- Inequality and Redistribution
  - Markets
  - Assets
- Governance and Accountability

## EMPOWERMENT

- Responsive Public Administration
- Rule of Law
- Decentralization
- Eliminating Gender Discrimination
  - Social Fragmentation and Conflict
- Building Social Capital

## SECURITY

- Social Risk Management
  - Household Responses
    - Policy Responses
      - Reducing Vulnerability to
        - Economic Crises
        - Natural Disasters

## INTERNATIONAL ACTIONS

- Market Access in Rich Countries
- Reducing Global Volatility
  - Pro-Poor Intn'l Public Goods
- Voice for the Poor in Global Forums
  - Making Aid Effective in Reducing Poverty
- Relieving the Debt Burden

# Change of approaches in aid for poverty reduction: **Projects → SAPs → BS for PRS**

- Donor-driven projects 60s-90s→
- Structural Adjustment Programmes (SAPs) by WB/IMF 80s-90s→
  - + proliferation of bilateral projects (transaction costs)
- 2000s → Budget Support (**BS**) to support the implementation of national Poverty Reduction Strategies (**PRS**) by WB + IMF + 13-17 bilaterals
  - Challenge: **Policy dialogue** on comprehensive:  
**ECONPOL + SOCPOL + ENVPOL = SustDev**



The social governance of globalization starts at home:  
**National → Global Social Policy**

**Rich country experience:**

➤ **INDUSTRIALIZATION**

- Prosperity for All?
- Social costs
- Inequities
- Environmental costs

19<sup>th</sup> & 20<sup>th</sup> centuries:

→ **Social policies !**

→ **Equalization policies!**

→ **Environmental policies !**

➤ **GLOBALIZATION**

- Prosperity for All?
- Social costs
- Inequities
- Environmental costs

2000s:

MFAF / ILO

→ **Global social policy !**

→ **Global equalization!**

→ **Global environmental policies !**



# PRS: Different from Structural Adjustment Programmes ?

- **SAPs: Conditionality imposed from above:**
  - Macro policy reform in exchange for large loans
- **SAPs: IMF & WB/ 'Washington Consensus':**
  - neo-liberal "one-size-fits-all" **ECONOMIC** policy package
- **SAPs: Criticism from the **SOCIAL** perspective:**
  - SAPs "with a human face" & Human development (Unicef 1987, UNDP-HDR 1990→ & NGOs, etc.)
- **PRS: alternative (more social) economics?**  
(E.g. *'Growth Through Equity', 'Pro-Poor Growth', 'Decent Work for All', 'Policy Space' & Industrial Economics*)
- **Or: The 3 dimensions of Sustainable Development in balance: **ECONOMIC + SOCIAL + ENVIRONMENTAL****  
→ **Multi-dimensional + multi-disciplinary**

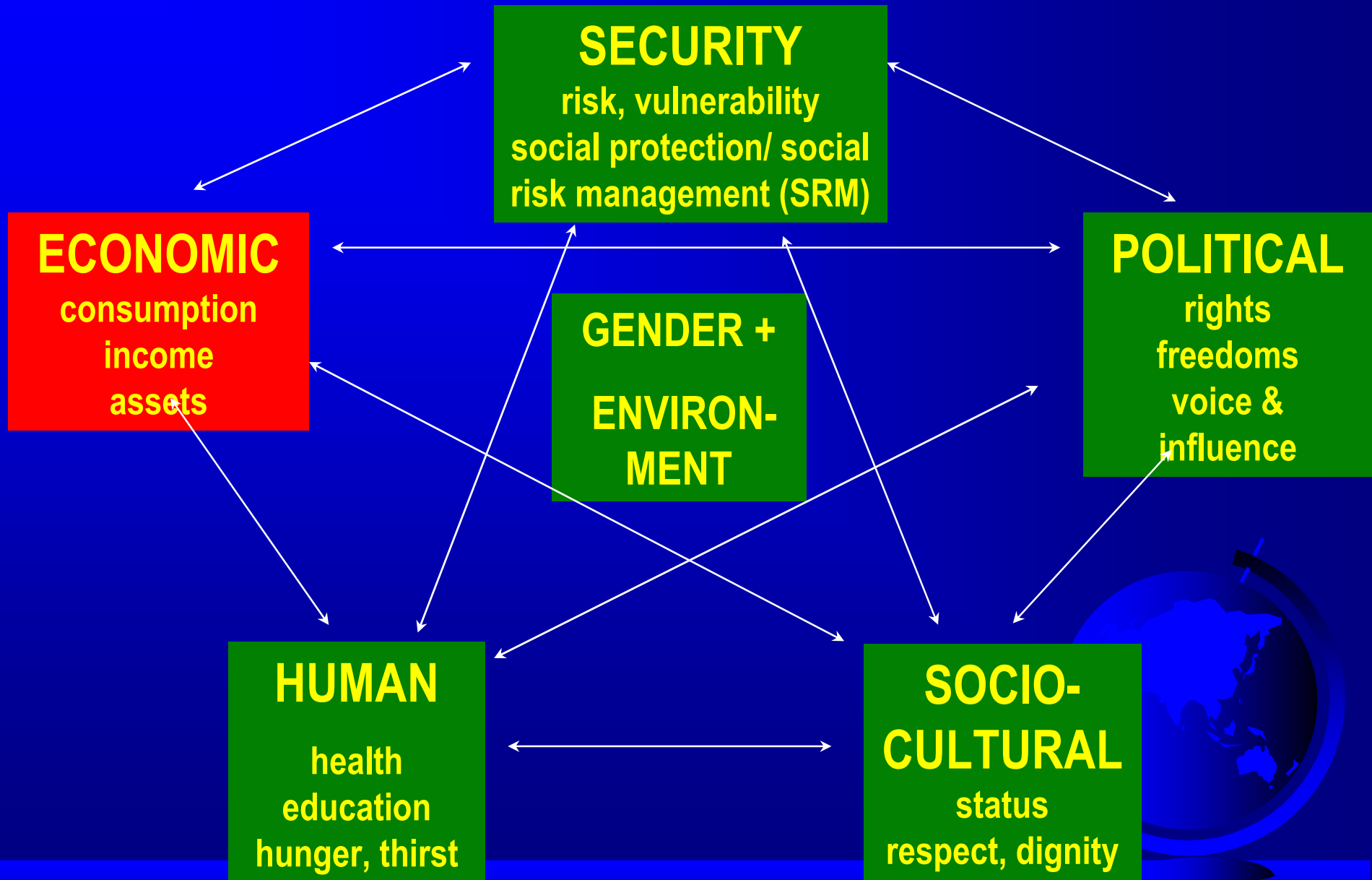
# The Global Agenda in 2006:

- Copenhagen Social Summit 95 → **PovRed**  
+ Employment + Social inclusion
- WB+IMF: 1999 → **PRSP** → **PRS**
- Millennium Summit 2000 → **MDGs**
- Paris Declaration → **Harmonisation/Aid** effectiveness
- World Summit Outcome Sept-05 = **WSO**  
+ "Development Resolution", UN-GA 300606
- ECOSOC-06 + CSocD-07: Back to Copenhagen:  
→ **Full Prod.Empl. & Decent Work for All**  
+ Decent Work Country Programmes (ILO/EU)
- **ICSW** + UN-DESA + UNDP: **Soc. Integr./Inclusion**

# Copenhagen Social Summit-95:



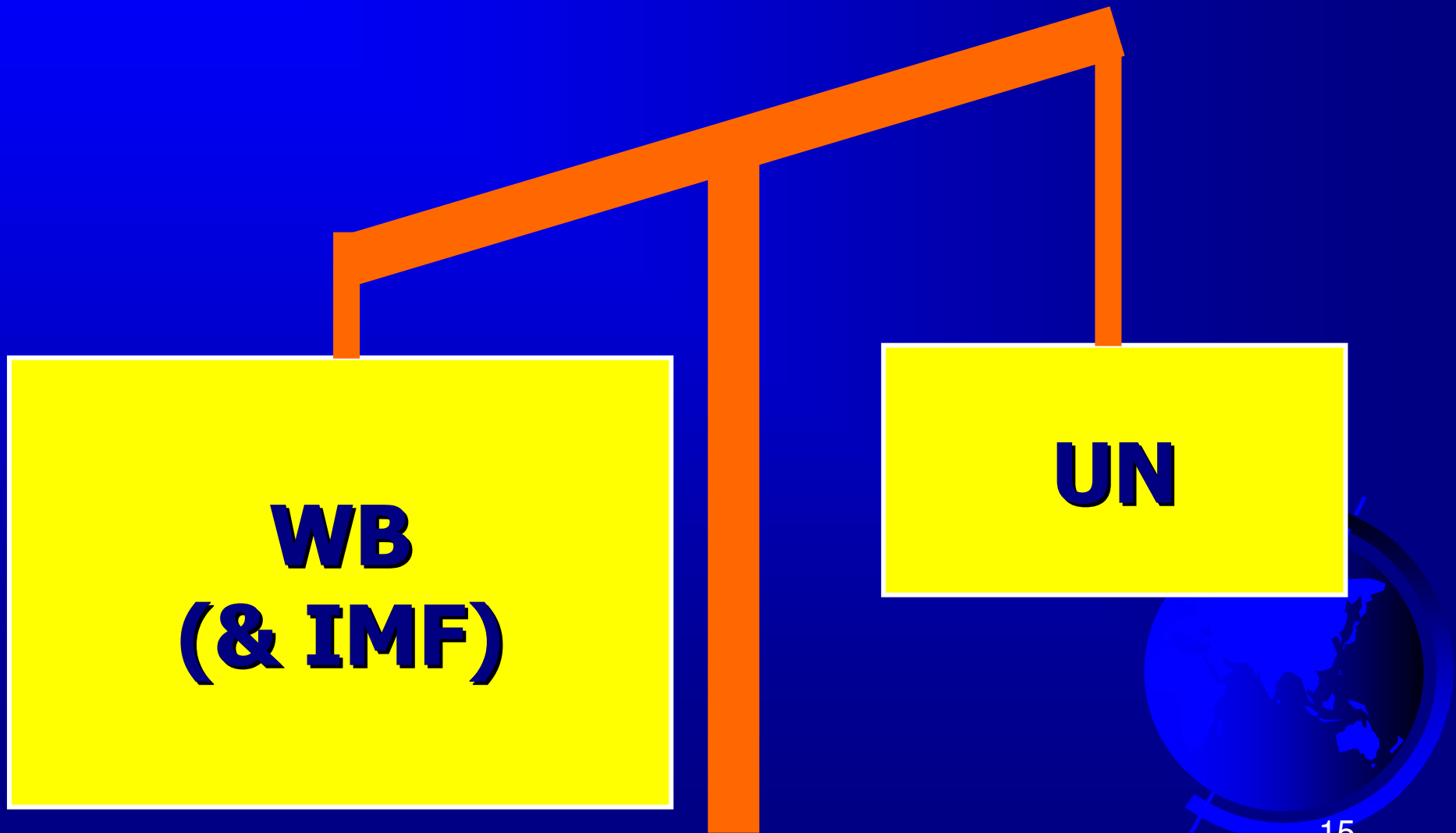
# *But the Econ/Social tension remains:*



In reality, in country level work, the economic perspective (growth & efficiency) dominates. Why?



# Part of the reason is the imbalance between the WB(& IMF) vs. UN at country level



**In principle, both WB & UN should promote  
a balanced sustainable dev't agenda on  
*RIGHTS/SOCIAL JUSTICE***

**WB & UN:  
ECONOMIC**

**UN + WB:  
SOCIAL**

**ENVIRONMENT**



**Equally, at the national level  
there should be a balance between the  
'ECONOMIC' and 'SOCIAL' ministries  
& civil society representatives**

**Min. of Finance,  
Central Bank,  
Business & Empl.  
associations**

**Min.of Social  
& Labour,  
unions,  
consumers**

**Min.of Env / Agric. / Natural resources**

**But: Often the ECON perspective gets a  
priority in national policy making**



**Min. of Finance,  
Central Bank,  
Business & Empl.  
associations**

**Min.of Social  
& Labour,  
unions,  
consumers**

**Within WB the ECON dominates over the  
SOC: The WB has 10.000 economists &  
only few hundred non-economists**



**WB  
economists**

**WB  
non-  
economists**

**And: Among the WB-economists one school of thinking dominates over alternatives**



**Orthodox  
'neo-liberal'  
macro  
economists**

**Labour  
economists  
& industrial  
policy, etc.**

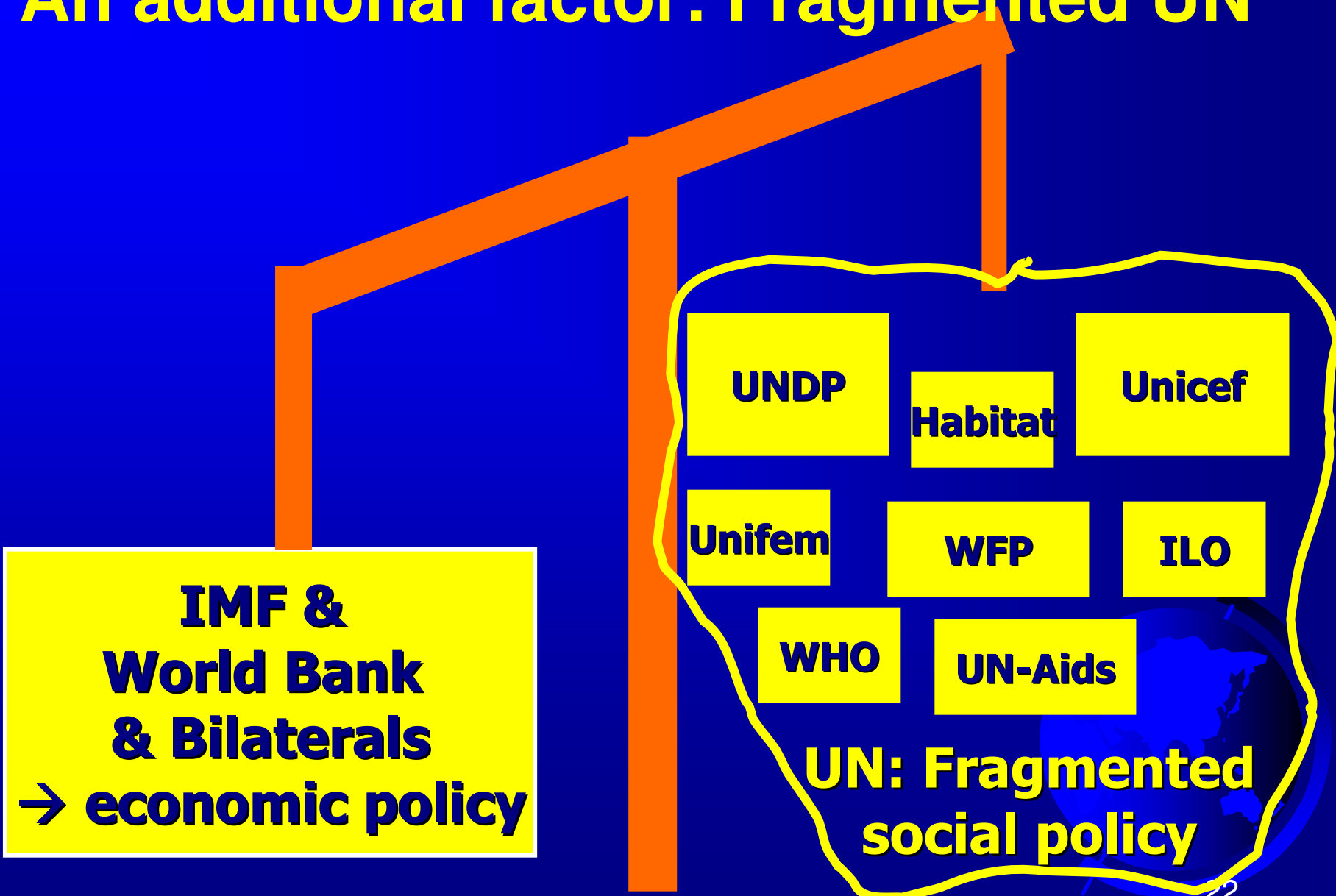
# A key additional factor: Bilaterals strongly aligning to the WB-dominated dev't agenda



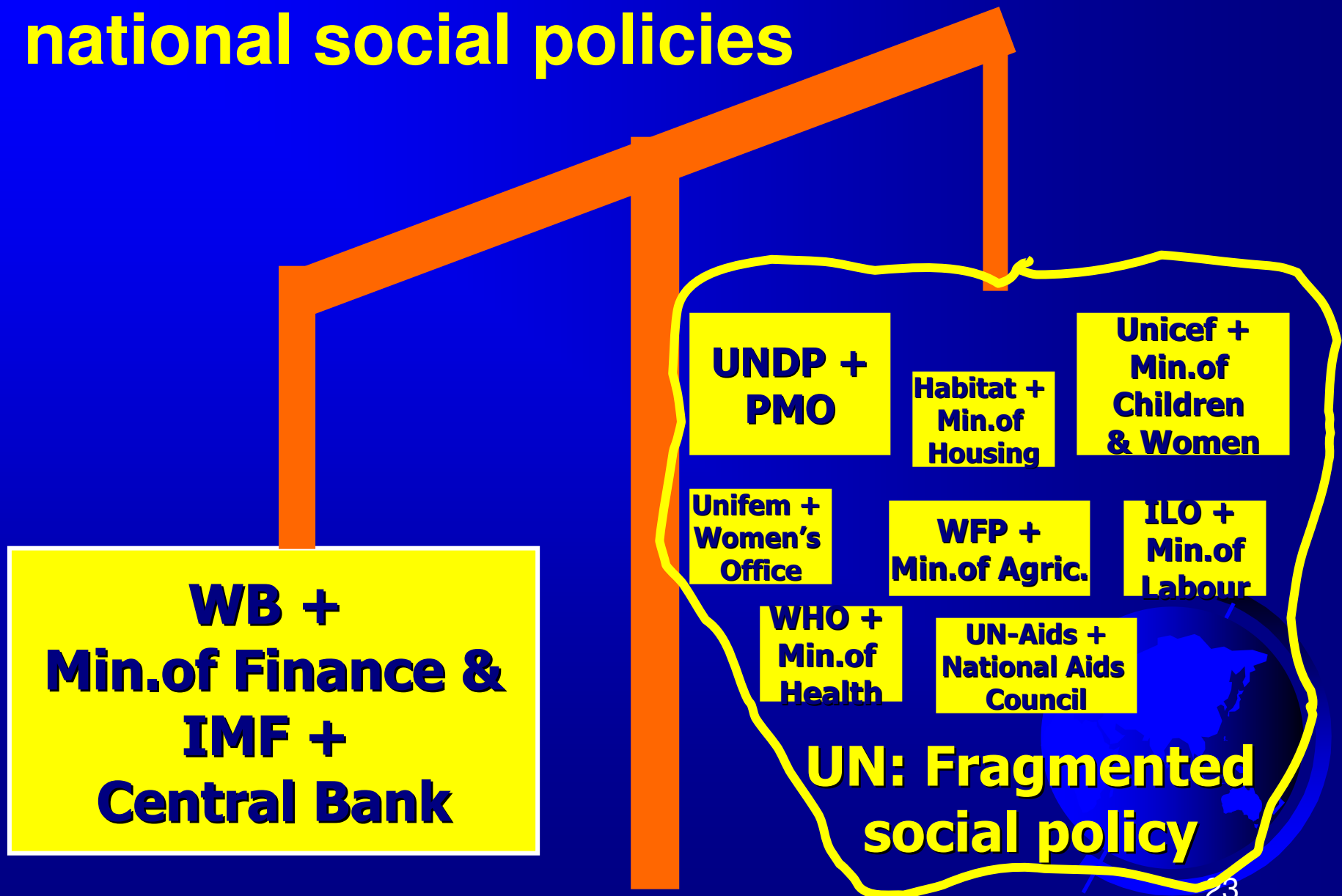
**WB-loans**  
**+ Bilaterals' grants:**  
**PRSP**  
**+ Budget support**

**UN:**  
**grants outside**  
**the BS-frame**

# An additional factor: Fragmented UN



# Fragmented UN leads to fragmented national social policies



# Efforts to improve the ECON/SOC balance:

## UN-Reform

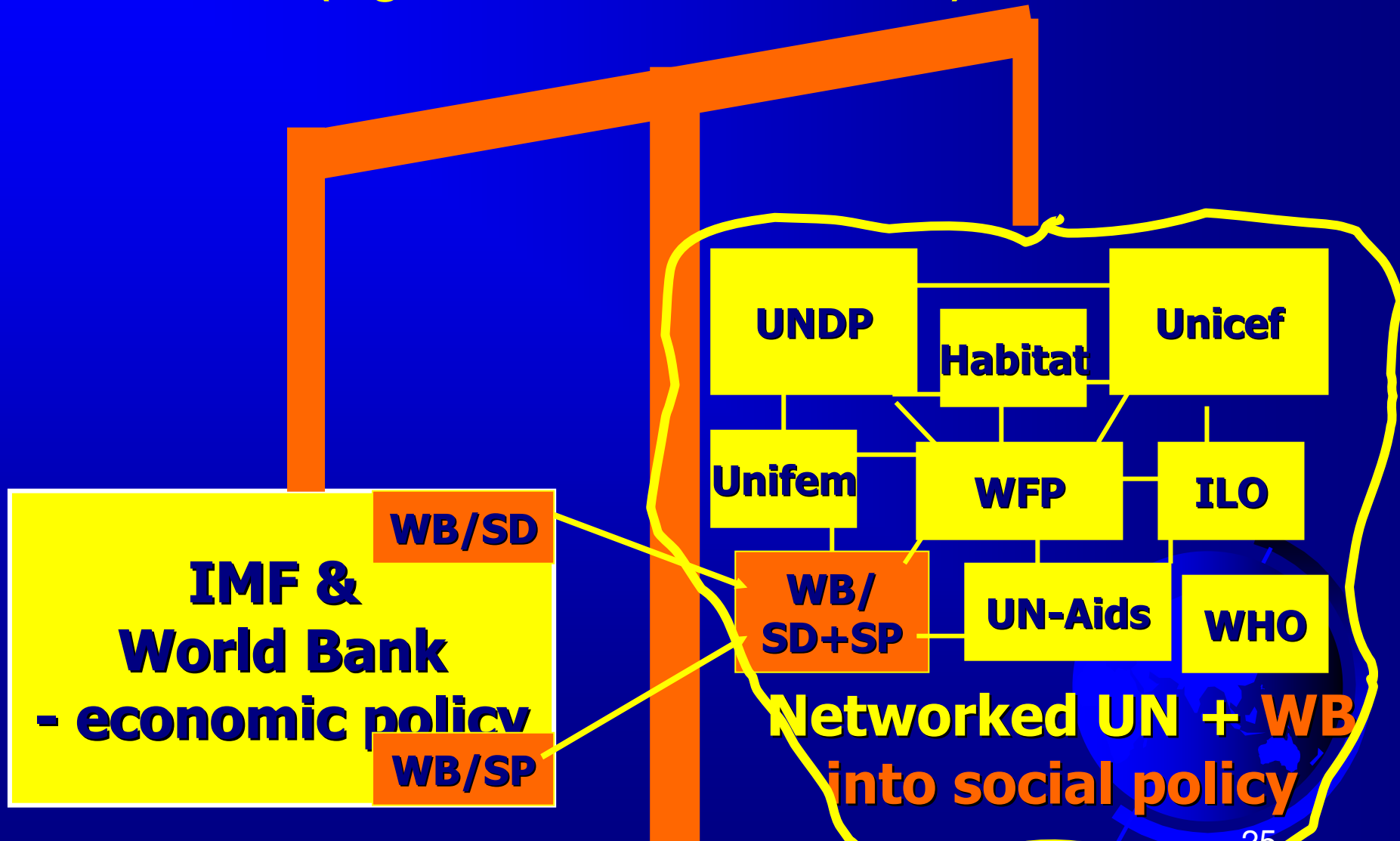
(at global and national levels)

**WB + IMF  
+ bilaterals**

**'One UN'  
+ WB  
+ bilaterals**

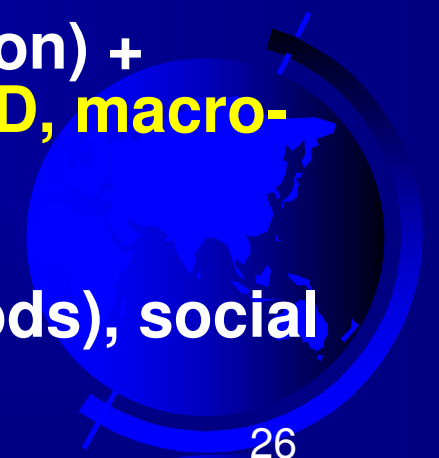


# Efforts to improve the ECON/SOC balance (e.g. Nordic TF-ESSD in WB)



# Arusha Conference Dec-05 (WB): *New Frontiers of Social Policy in a Globalizing World*

- Organised by WB Social Dev't Dept (Anis Dani)
  - Funding from Finland, Sweden, Norway, UK
  - 'Authoritative speakers' from US-universities (?)
  - Equity & social policy? → **social dimensions of / perspective to all policies:**
    - SOC.sectors (edu/health/social protection) +
    - **SOC dimensions in e.g. infra, agric., PSD, macro-economic policy, etc.**
  - On all levels: local + national + global
- Greater attention to employment (livelihoods), social integration & institutions



# Copenhagen Social Summit-95:

FULL  
PRO-  
DUCTIVE  
EMPLOY-  
MENT

SOCIAL  
INTEGRATION /  
S.INCLUSION /  
S.COHESSION

POVERTY  
REDUCTION



# World Bank/Anis Dani 2005:

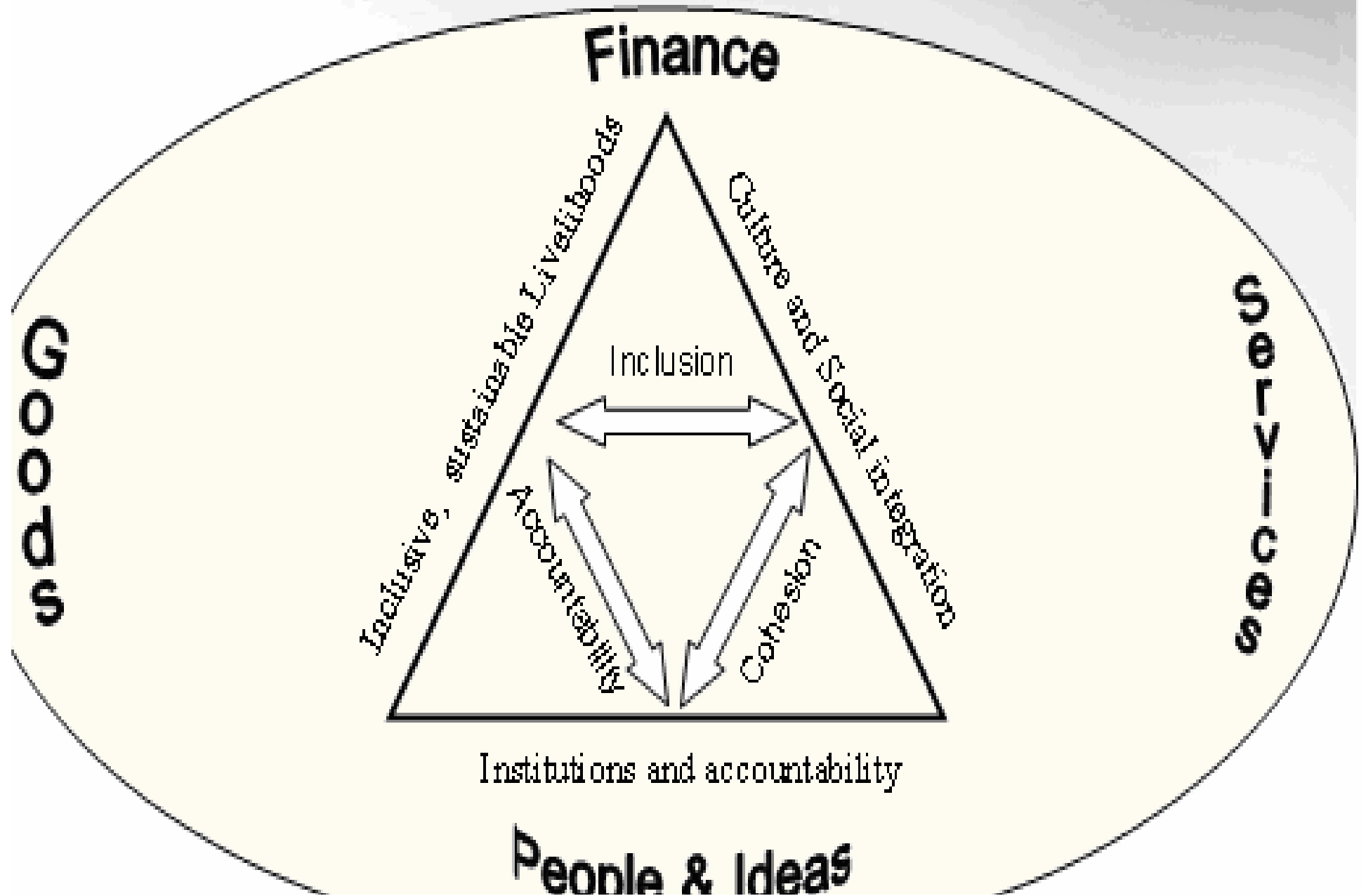


# WORLD BANK 2004

## Social Development Strategy



# Globalizing Flows



# Arusha Declaration: *New Frontiers -1*

- Transformation of subjects and beneficiaries into citizens
  - universal rights & responsibilities
  - Middle-class by-in: Build alliances between the poor and the not-so-poor
- Role of State: effective & accountable
  - Recognizing power relations & institutions
- Capacity of states → revenue mobilization



# Arusha Declaration: *New Frontiers -2*

- **Social dimension/Equity in infra, utilities, social services: educ/health/SP**
- **Market access for the poor**
- **Fiscal policies**
- **Migration (internal/external)**
- **Citizens organizations/social partners**
- **Understanding history, culture, etc.**
- **Social Policy at all levels: local, national, global**
- **Multi-disciplinarity**





**But: Arusha left 'uneasy feelings' among Nordics/Africans/UN-people/ ICSW: \_ Should we (donors) partner with & invest in WB? UN? CSOs?**

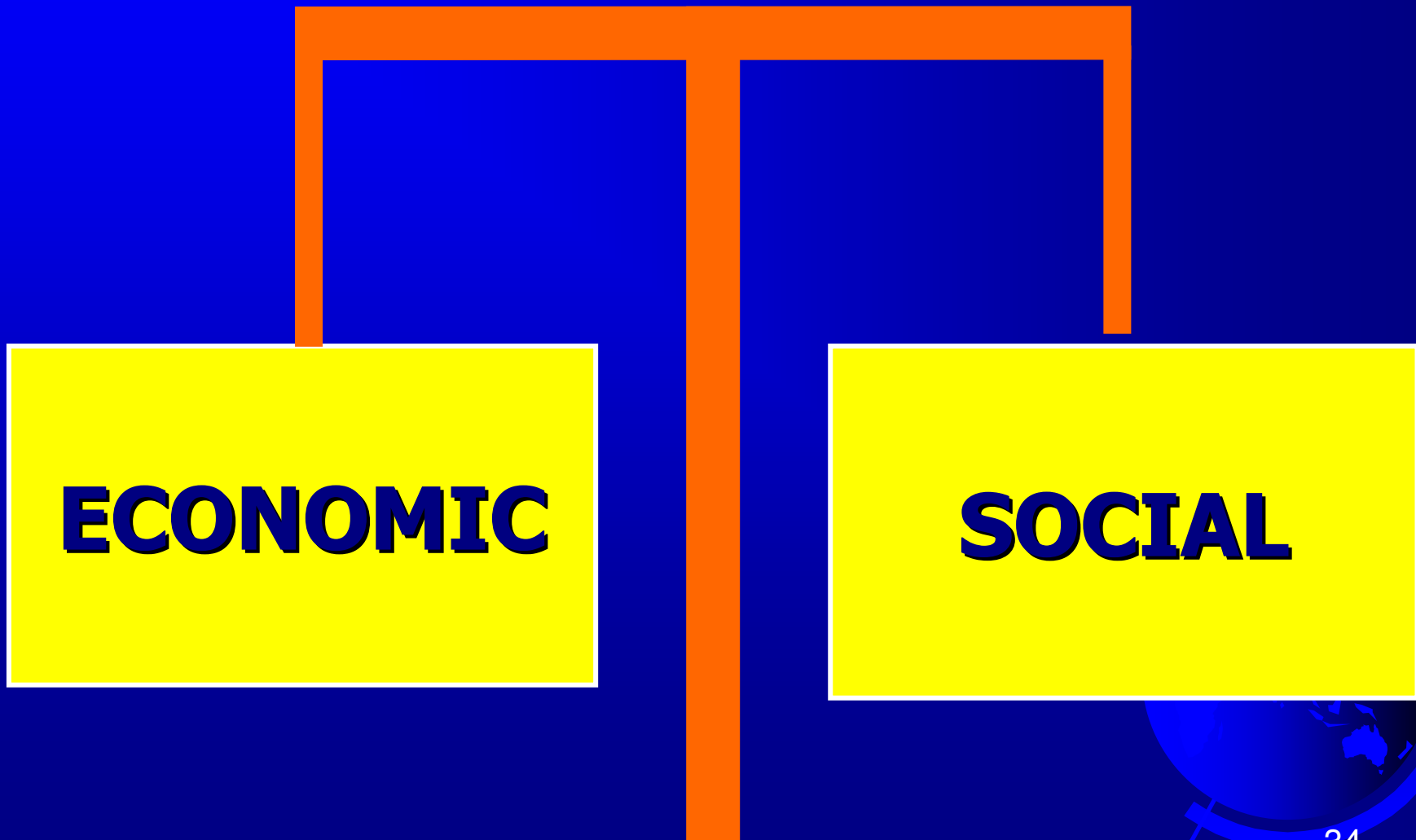
**WB/SD**  
**Strengthen the 'social perspective' in World Bank?**  
**WB/SP**



**Strengthen One-UN globally & locally?**

# ILO bridges the ECON & the SOC:

## DECENT WORK FOR ALL



# UN-ECOSOC Main Theme 2006:

## DECENT WORK FOR ALL



**Employment  
generation  
& entre-  
preneurship**

**SOCIAL**  
-rights  
- protection  
- dialogue  
& gender equality

# ILO/EU: Decent Work Country Programmes (DWCP)

## RIGHTS

Fundamental Principles and Rights at Work

e.g.

ILO-  
Conventions

## EMPLOY- MENT

Enabling environment,  
Entrepreneurship,  
Skills,  
Productivity,  
Competivity

## SOCIAL PRO- TECTION

Extending social protection, incl. to those in the informal sector

## SOCIAL DIALOGUE

Building social consensus on major policy lines e.g. through tripartite negotiations.

**→ To become key part of national PRSs**

**But it's not only a choice between the WB and the UN, but also choices within SocPol, e.g. between:**

**efficiency-oriented  
means-tested  
targeting**

**rights-based  
residence-based  
universalism**

# On-going efforts to improve the ECON/SOC balance -1

## 1) ECOSOC 7/06 + CSocD 2/07

(a) Decent Work for All + DW Country Programmes

(b) UN-Reform: SG's High Level Coherence Panel 9/06

- *'One UN'* at country level: e.g. Vietnam country directors
- ILO + EC: *Decent Work Country Programs (DWCP)*



# On-going efforts to improve the ECON/SOC balance -2

- 2) AU Soc.& Empl. Policy strategy & other regions
- 3) EU Consensus + Sust.Dev't + Decent Work
- 4) DAC/POVNET: PPG → Social Policy, incl. SocPr
- 5) SDAN = Social Development Advisers' Network
- 6) PSIA-network (Poverty and Social Impact Ass.)  
→ CSA (= Country Social Assessment)  
+ *'Drivers of Change' + 'Power Analysis'*



# On-going efforts to improve the ECON/SOC balance -3

- 7) NOR+FIN: WB TF-ESSD (with WB-departments for SD+SP+POV+ENV)
- 8) Support to ILO's country-level work (DWCPs): SWE, NOR, UK, NL, GER, POR, IRE, EC
- 9) Balancing the 'Arusha Process': UNRISD/Sweden/Finland 30 Oct – 2 Nov
- 10) Role and contributions of ICSW (global, regional, national) in all of this ???



# **New roles and skills needed for donors and CSO-people, e.g. ICSW:**

**(a) Poverty situation monitoring**

**(b) Stakeholder analysis**

**Who is participating? Influencing?**

**(c) Public financial management?**

**- will & skill?**



# **RV/SP - Key messages to donors:**

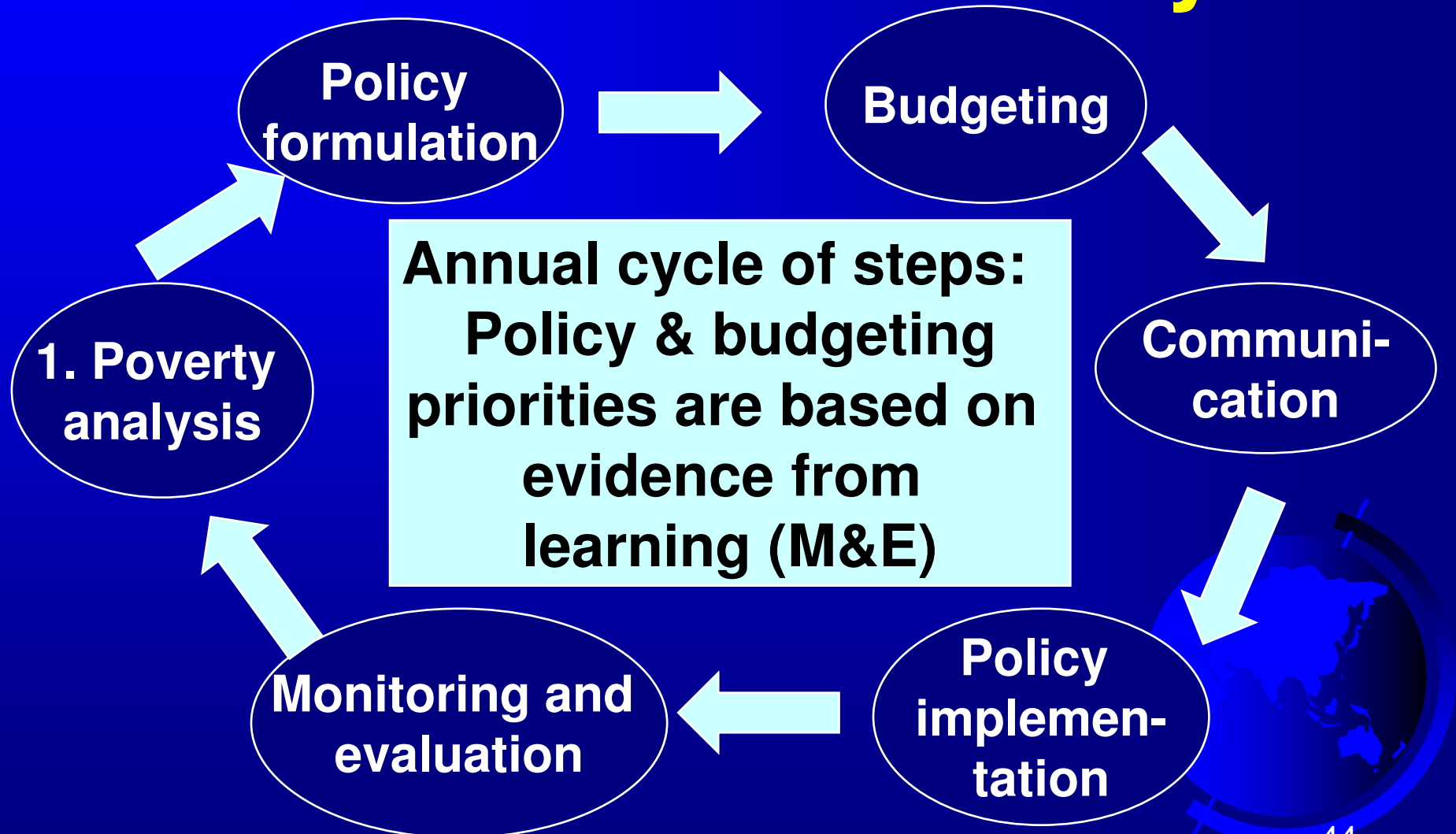
- 1) **R&V causes poverty and failing growth:**
  - ex-post impacts of shocks
  - ex-ante or behavioral impact of risk: low return choices
- 2) **The economic and social return to social protection is very high - not just in terms of social policy and equality, but also in growth and multidimensional poverty reduction**
- 3) **The analysis of risk and vulnerability in public policy (in PRS/PMS/PAF etc.) is possible and desirable**
- 4) **Time for more experimenting: try out schemes.**
- 5) **RV/SP is multisectoral: Donors need to know and partner with the coordinating SP-ministry + help convince the MoF.**

# **RV/SP: Practical Country-Level Instruments and Approaches used by Various Agencies**

- **Unconditional Cash Transfers (e.g. Kalomo)**
- **Conditional Cash Transfers**
- **Food for Education (e.g. Bangladesh)**
- **Micro-finance and micro-insurance**
- **Social Health Insurance**
- **Employment Support and Public Works**
- **Social Pension Insurance**

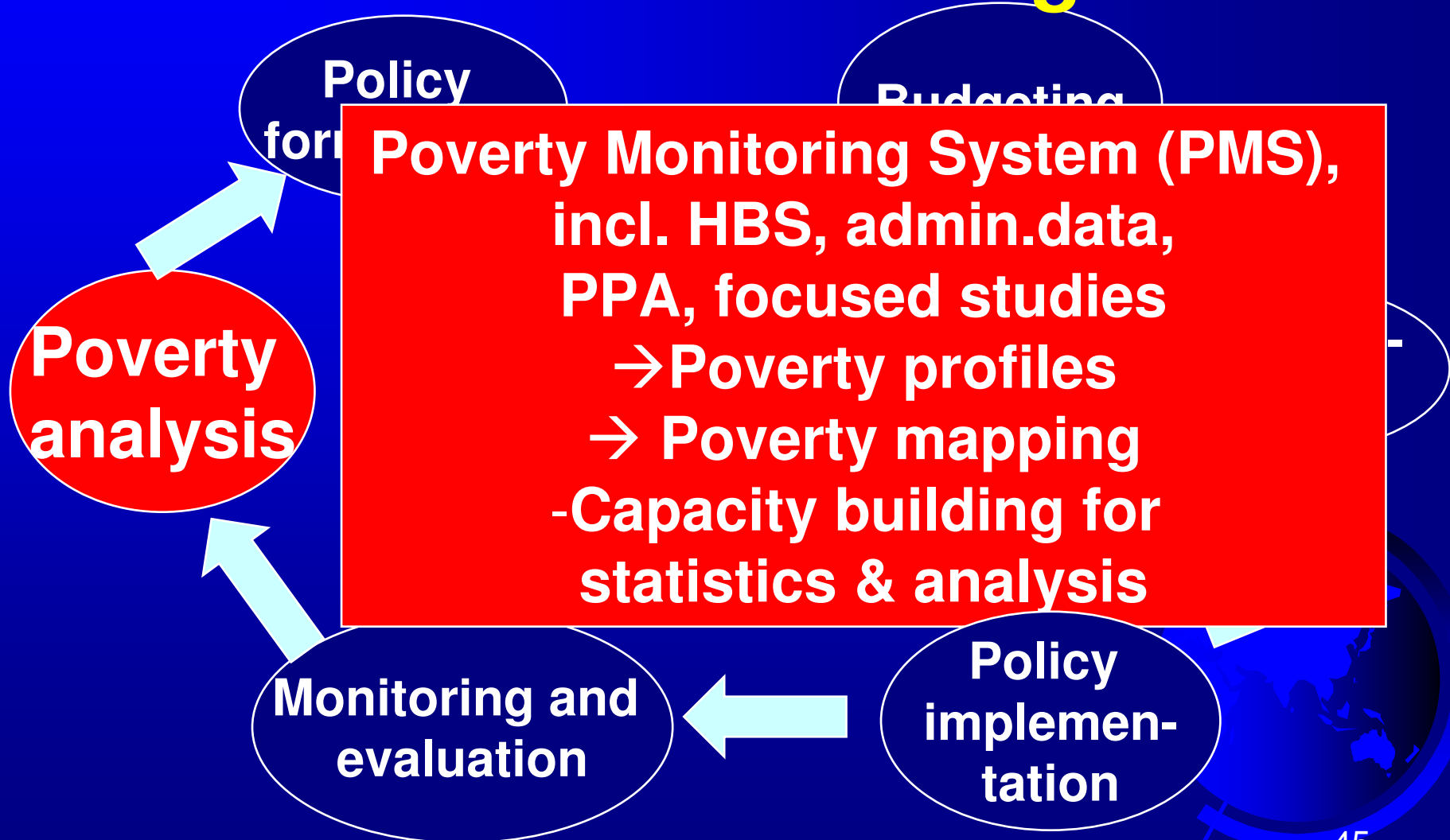


# How to strengthen the social dimension of the PRS cycle?

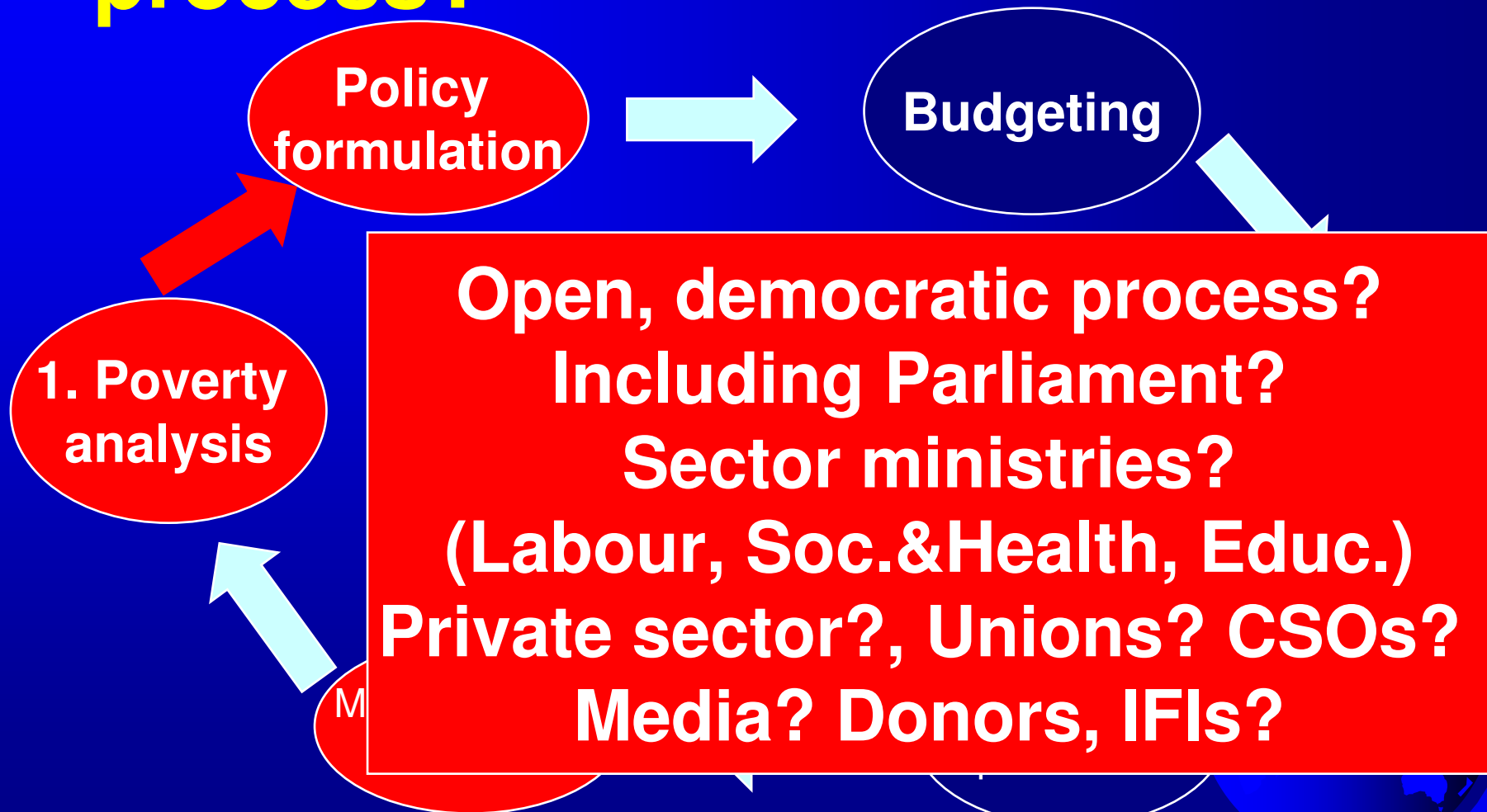


# The social dimensions of PRS?

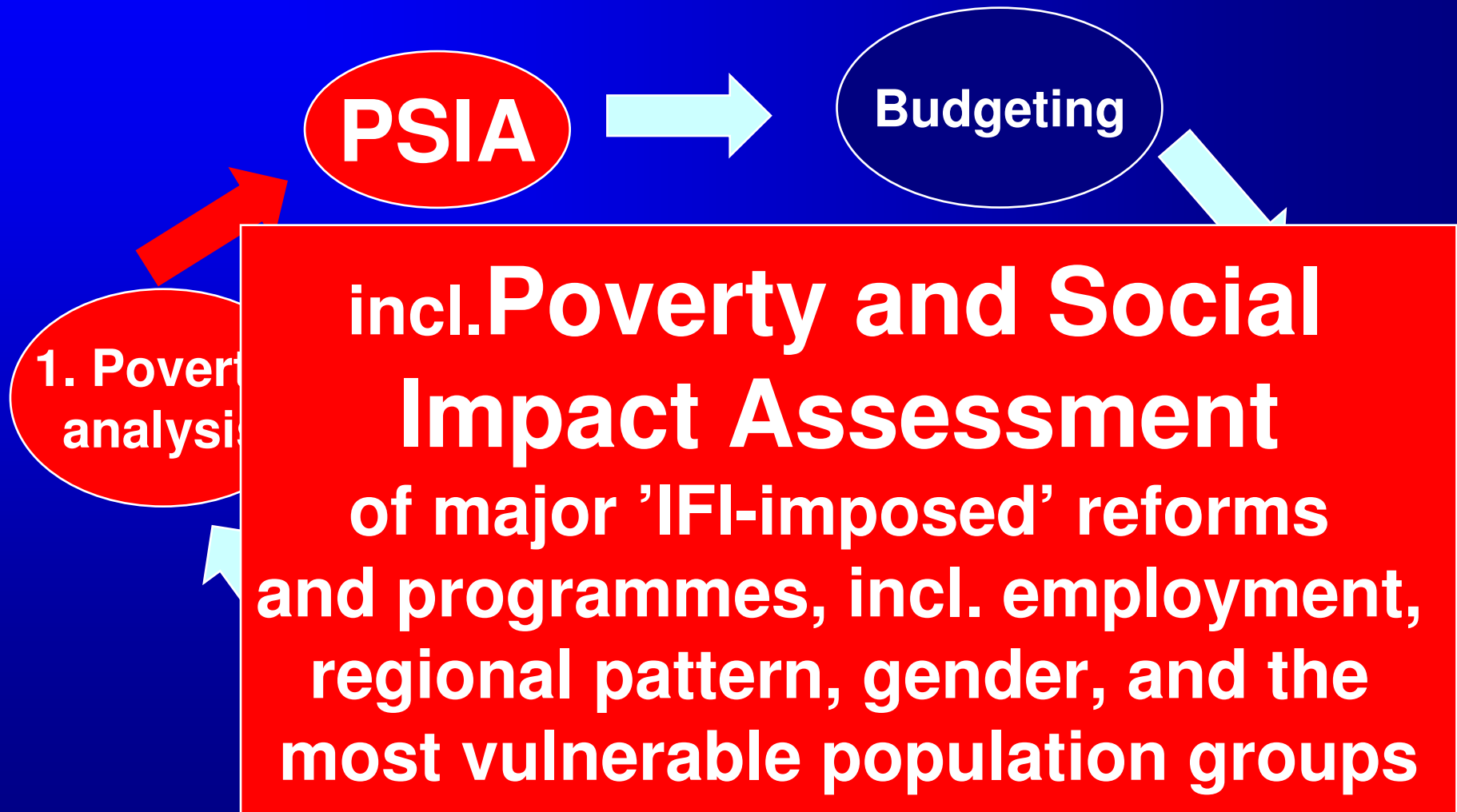
## 1. Baseline data & diagnostics



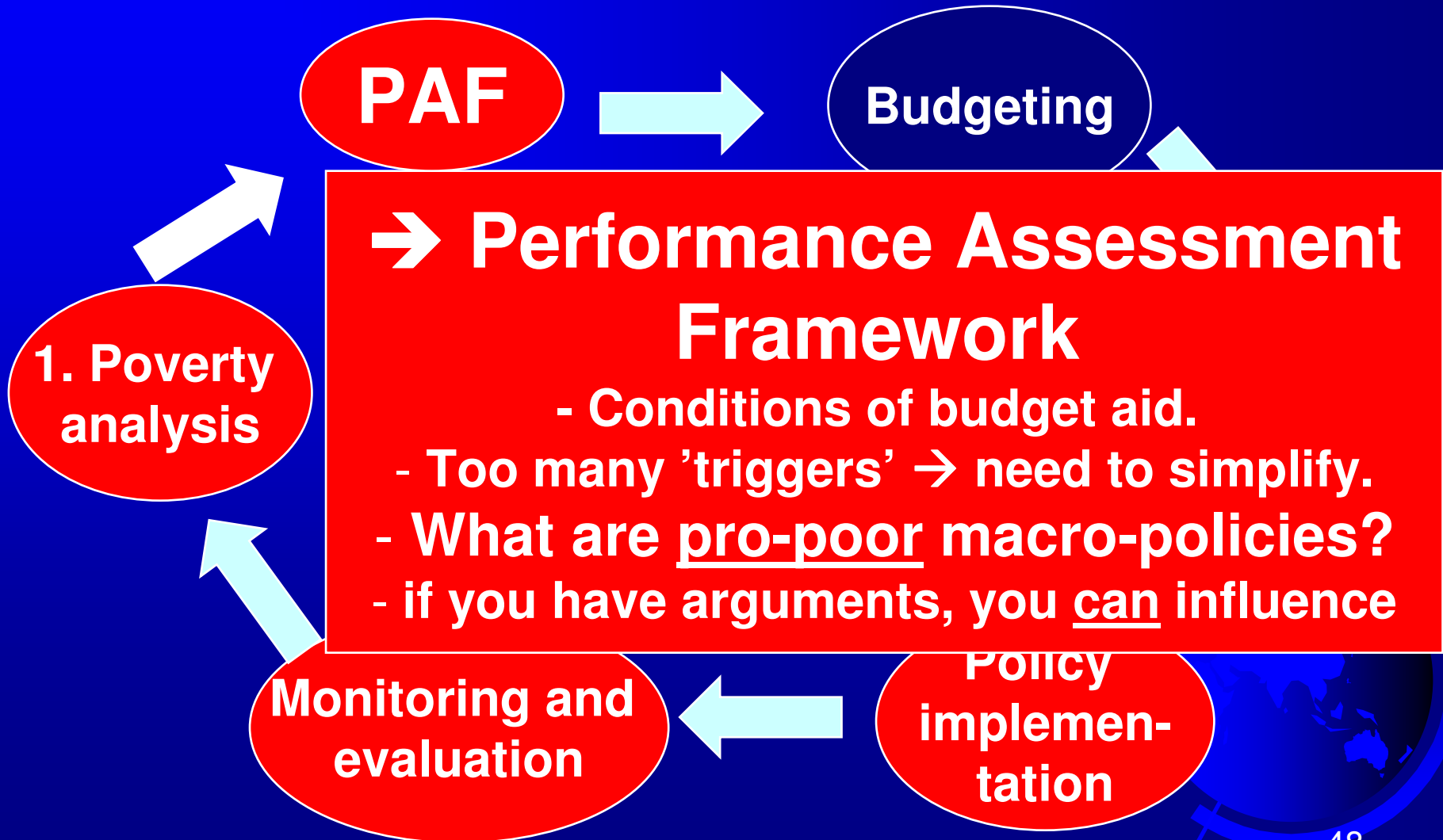
## 2. Quality of the participatory process?



### 3. Ex ante impact assessment

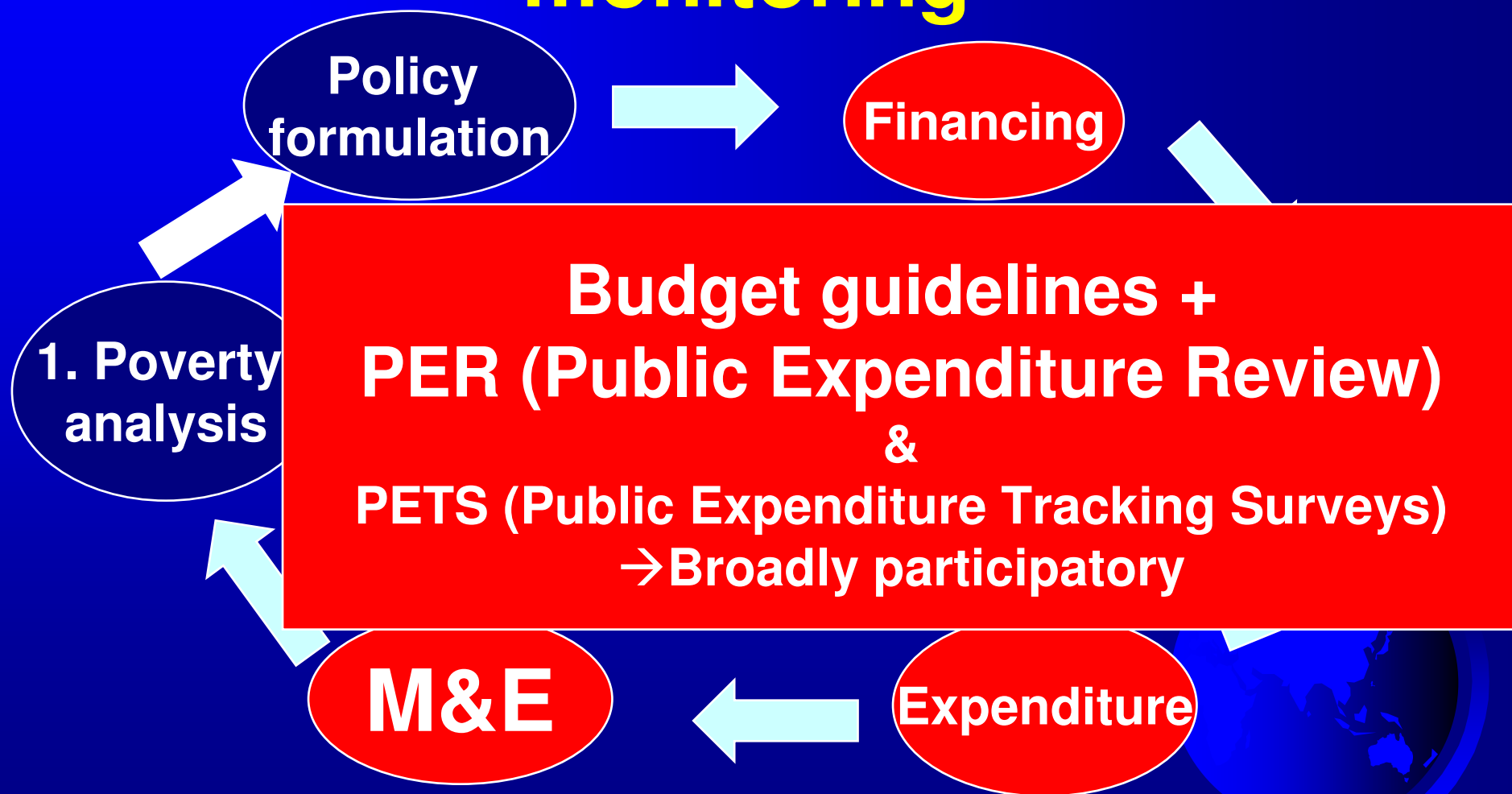


# 4. Results-based mngt of budget aid

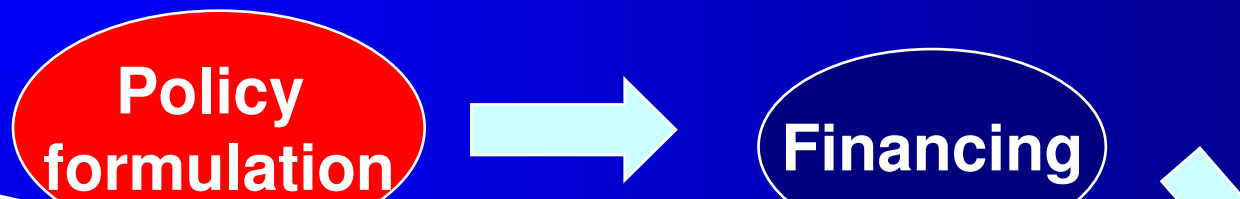




# 6. Budget, expenditure & 'leakage' monitoring



# 7. Role of Social Policy?



**PRSP-dialogue: From ad hoc safety nets to  
a comprehensive social  
policy**

- WB: Risk & vulnerability assessments, RVA
  - National Social Risk Mngt Strategies  
(social risk prevention/mitigation/coping)
    - Social Budgeting, Gender Budgeting, Regional Policy e.g.