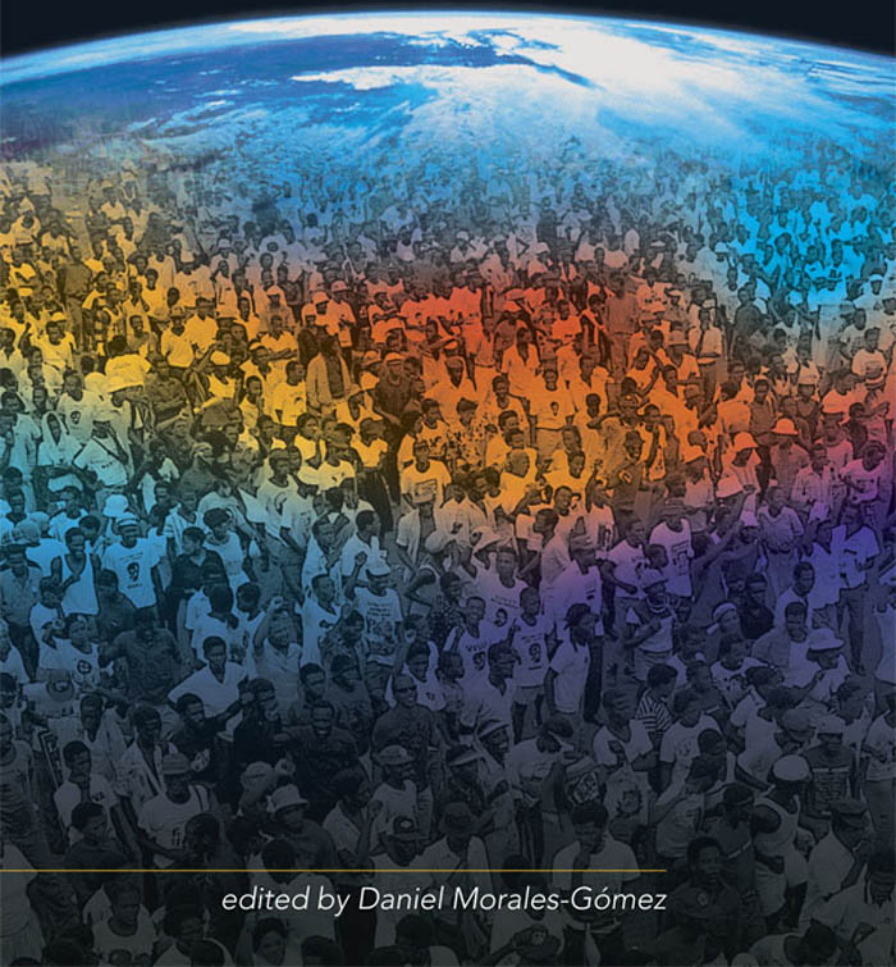


T R A N S N A T I O N A L

SOCIAL POLICIES

The New Development Challenges of Globalization



edited by Daniel Morales-Gómez

TRANSNATIONAL SOCIAL POLICIES

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The New Development Challenges of Globalization

Edited by
Daniel Morales-Gómez

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
Ottawa • Cairo • Dakar • Johannesburg • Montevideo • Nairobi • New Delhi • Singapore

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INTRODUCTION

FROM NATIONAL TO TRANSNATIONAL

SOCIAL POLICIES

Daniel Morales-Gómez

At the close of the 20th century, new expectations for a better society — prompted by forces of economic, political, and cultural globalization, changing demographics and new communication and information technologies — accelerate demands for comprehensive and effective public-policy reforms. This is happening at a time when governments are preoccupied with making more efficient and effective allocation of scarce resources and the international community realizes that existing development paradigms are inadequate to respond to the needs of the world's poor.

Developing countries in particular continue to struggle to identify developmental options, implement feasible growth strategies, and overcome persistent poverty and domestic social inequality. Industrialized countries, in turn, are beginning to realize that current consumption patterns are a liability in maintaining basic domestic standards of social equity, social security, and human development. Internationally, there is an increasing lack of control over future market directions, global trade, the capacity of countries and regions to sustain achieved levels of economic growth, and the rapid social impacts of science and information technologies.

To compete in an increasingly interconnected world, developing countries are improving their international competitiveness, adapting to rapid technological change, and accommodating their production systems to external rather than domestic demands. In the process, social safety nets are weakened, and, as the research in this book indicates, social-sector reforms have been insufficient to strengthen these systems. In the attempt to find feasible solutions, available resources have been shifted away from costly social programs, and responsibility for the social well-being of people is being transferred from the state to the private sector. The effect of these changes is that greater

responsibility for survival is placed on the shoulders of the poor and the communities in which they participate. Troubling, under these circumstances, is the growing transnational character of the factors influencing public-policy reforms in the area of basic needs, which have been dealt with until recently almost exclusively within the national domain.

The issue of transnational influences over national policies is not *per se* a new phenomenon. Traditionally, however, what has been understood as the “transnational dimension” of national development has been mostly limited to the fields of politics and economics. In this context, the notion has referred to a complex set of factors and influences determining decisions across established geopolitical boundaries. In economic terms, for example, it has been instrumental in understanding North–South relationships in regard to monetary issues, trade, and capital flows and accumulation. In political terms, it has been an explanatory factor in the role of national development in the larger scheme of power relations between developed and developing countries.

Today, the transnational dimension is acquiring an even more complex meaning. In a world geopolitically and economically more unidimensional, the transnational dimension of development is more than ever before an effect of globalization (Morales-Gómez and Torres 1995). Although the notion of globalization itself is controversial, central to its transnational character is the scope and magnitude of its intended and unintended impacts. In the past, the influence of capital flows, information and communication technologies, consumption, cultural products, trade, and transfers of science and technology had more limited influences on national decisions. Today, these factors affect national-policy boundaries and are necessary ingredients in national public policies and their reforms. In this sense, transnational influences are no longer single variables affecting only economic and foreign-policy relations between countries but complex sets of factors acting on a wide range of national public-policy decisions that are key to the management of national affairs. How this new scenario ultimately affects national policies linked to human and social development is a question not yet fully addressed.

Public-policy reforms in key social sectors are being promoted by a growing number of governments from industrialized and developing countries, as well as, international organizations, and, in particular, international financial institutions (IFIs). The underlying justification for action has several aspects. It is asserted that such reforms will improve efficiency of public-policy systems; that they are required to implement plans to reduce public deficits; that they will deliver more effective social programs and services; and, that they will ultimately help to improve the capacities of national economies. In this context, economic growth continues to be a dominant goal of public-policy reforms in order to reduce deficits, generate employment, and expand trade. Social development is then simply seen as a byproduct of these reform schemes. The chief

focus remains market liberalization, privatization, smaller and more financially accountable governments, targeting, and less state intervention in service provision. In this framework, the challenges for social development and poverty reduction are seen as those of the availability rather than the redistribution of resources. Policy reforms are thus expected to maximize the use of resources — “doing more with less.”

In all these concerns, an overarching issue is not being addressed: the character of the new social ethos guiding policy reforms, an ethos which is increasingly determined by transnational cultural values. Policy changes at the macro- and microlevels are promoted as good and desirable without anyone’s questioning the nature of the society pursued through these processes.

Social-policy reform: a shift in the social-policy paradigm

The current emphasis on social development is reflected in actions by international organizations and governments to bring issues related to social and human development to the forefront of the international development agenda. Events such as the 1990 World summit for Children, the 1990 World Conference on Education for All, the 1992 UN Conference on Environment and Development, the 1993 UN Conference on Population and Development, the 1995 Fourth World Conference on Women, and the 1995 World Summit for Social Development are prominent indicators of this emphasis. Following the economic downturns of the 1970s and 1980s, which deeply affected the developing world, social development has become a priority in the mid-1990s. Development trends during this period made the state, evolution, and health of macroeconomic policies the main developmental concerns of governments and international organizations. John Ralston Saul (1995, pp. 122–123) argued that

in imitation of the nineteenth century and the 1920’s, we are deregulating everything in sight and even restructuring government and education along industry lines. We have fallen back in love with an old ideology that has never paid off in the past.

Now, there are those who will mistake what I say for an anti-market tirade. They will be wrong. I love the market. I like trade, money markets, global economic patterns, all of it. It’s like a game. It’s fun for those who can afford to have a sense of humour. But I’m not fool enough to mistake these necessary and important narrow mechanisms for a broad, solid, conscious force that can lead society. The history of the marketplace has been repeatedly written by its actions. To ignore that history is to withdraw into severe unconsciousness.

Only the recent signs of the relative failure of a development model based on capital accumulation has made evident that macroeconomic equilibrium alone is not a development solution. Despite this evidence, “we keep hoping that we

will rediscover prosperity through this mechanism called market forces" (Saul 1995, p. 122), and with such a goal in mind public policies are being changed on a massive scale.

Reaching macroeconomic equilibrium by itself is not likely to render the type of longer-term results expected in terms of increased social well-being, better social welfare, and less poverty. This is particularly true if social- and human-development inequalities remain untouched by the reform processes. In this context, a trend is emerging to focus increasingly on social policy in a framework of public-policy reform. The aim is to achieve social-development objectives with more equity, effectiveness, and efficiency. This is the case in most of Latin American and Organisation for Economic Co-operation and Development (OECD) countries (Altimir 1997; Bonvin 1997). In a number of cases, this emphasis is leading to social-policy reforms in key social sectors. However, the emphases, results, and impacts of the experiences are very different, largely unknown, and not critically analyzed.

In some cases, governments and development agencies are stressing the need to put "people first" as a public-policy goal and to give development a "human face" to affirm ways to address social-development needs (Preston 1993; World Bank 1991). In other cases, emphasis is primarily on efficiency, cost-cutting, and balancing fiscal deficits and only secondarily on the needs of human development (Bardhan 1995). What is important here is that the overall tendency to reform public policies is not an isolated phenomenon; rather, it is part of a global trend to change the parameters and role of the welfare state in its various versions in developed and developing countries. The catalyst for this process in the 1970s and 1980s was a set of economic-stabilization measures and structural-adjustment policies to overcome inflation, fiscal deficits, foreign indebtedness, and trade imbalances.

From a broader developmental perspective, the policy-reform approach also reflects a deeper shift in the concept of what is a modern, efficient, and just society. At one level, this is the expression of the forces of economic globalization. In this regard, the OECD Development Centre argued that "an increasing number of developing countries have been pursuing policy reform to promote their integration into the global economy" (Bonvin 1997, p. 40). At another level, it manifests a series of profound social, demographic, and political changes shaping the profile of today's modern industrialized societies and those of many developing countries. Among these changes are rapid rural-urban migration, demographic growth, and democratization. They are added pressures that help to make current social policies unsustainable, inefficient, or ineffective. Perhaps more deeply still, the evolving change in the concept of a modern, efficient, and just society is a reflection of slow but profound changes in the ethics of modernization and development occurring in the second half of this century.

The combination of these factors explains a series of features of social development in developed and developing societies both as they appear today and as they are likely to unfold well into the first decade of the next century. These include persistently unsatisfied basic needs, evident as chronic, even deepening, poverty in some regions; a widening spectrum of altering social needs and increasing social and economic expectations that widen the gap with the growing frustration of vast sectors of the population, especially youth, who are unable to find productive work or access to new social opportunities; and a growing demand for alternative public and private, profit and nonprofit mechanisms to better handle the fiscal deficit and debt crisis while reducing the social costs of reforms. Beyond these most visible features are the continuing impacts of transnational private business, development organizations, and IFIs as they continue to alter the global social-development landscape; the deterioration of the role of traditional and family support systems; and, the emergence of pervasive social destitution, expressed in the phrase “social exclusion” (Rodgers et al. 1995).

Although policy reforms take different forms depending on the specific social, economic, and cultural environments in which they are implemented in Africa, Asia, Latin America, and the industrialized North, they also share common trends. First, they often have short-term objectives but long-term economic, social, and institutional effects. Second, the assessment of the available options to reform social-policy systems under various forms of welfare state is, at best, constrained by financial considerations and is in most cases nonexistent. Third, because in developing countries, national wealth is still distributed unequally and international development assistance, on which many rely to implement human-development programs, is unlikely to increase, government investments in social development are limited, despite international protocols, such as the various United Nations declarations. Measured in constant United States dollars (USD), total net flows of official development assistance to developing countries have remained stable between 55 billion USD and 60 billion USD since 1986. Other development finance has declined slightly, but this has been more than offset by substantial growth in private flows. Private flows now account for about 60% of net resource transfers, and overseas development assistance has fallen to about 33% of the total (OECD 1996). Fourth, despite changes in the international discourse about the debt burden, the size of external debt continues to constrain countries’ freedom to redirect their investments into social-sector policies (Giddens 1995). Fifth, because of the obvious financial constraints of reforms everywhere, the OECD argued that earnings, savings, and tax revenues should be the main sources of investment in economic and social progress (OECD 1996). Sixth, at the recommendation of organizations like the OECD and the IFIs, participation in the global economy and the opening up of competitive business opportunities, rather than relying on

international aid funds or state investments, is the emerging policy approach for overcoming poverty and for sustaining social-policy reforms (World Bank 1994; Bonvin 1997; Oman 1997).

Given the likely persistence of these trends, the need to examine the challenges posed by current policy reforms is even more urgent. Yet, it is safe to say that the international social-policy agenda is being “reformed” and implemented with almost a total absence of systematic assessment of the outcomes. In most cases, reforms are implemented not only without a reliable knowledge base but also with little input from recipient countries (Taylor et al. 1995).

Although, as some of the chapters in this book will show, the cases are very diverse, most countries in Latin America are better prepared to face the challenges of public-policy reforms, given their history of state and civil-society organizations, than most countries in Africa (Amin 1990; Gruat 1990; Gayi 1995). Some Southeast Asian countries have been able to adapt more quickly to the short-term objectives of policy reform than the majority of countries in Latin America (Osteria 1996). In other cases, such as in West and Central Africa, the notions of public- and social-policy reform have only recently entered the vocabulary of policymakers and social-sector practitioners. This is partly because the state is weak and its social-protection role is limited or almost nonexistent or because there are no consolidated policies to forward change. Yet, in other cases, the policy agenda for reform is more reflective of global, Western trends than the local necessity for change (UNRISD 1995; OECD 1997). Across the globe, and particularly in developing countries, policy reform often becomes almost exclusively a strategy to overcome poverty in the face of the constraints of external debt, the scarcity of international aid, the depletion of national development funds, and the lack of sustainable solutions to these problems through social policies developed on the basis of the welfare-state model.

Accordingly, a series of questions should be asked by anyone looking at particular national experiences: How is one to better understand the current process of social-policy reform? What does today’s notion of social-policy reform mean in the context of social development? Is the policy-reform approach important in societies with a weak public-policy base to reform? What are the longer-term implications of social-policy reform for social and economic development? Are the current approaches to policy reform the most appropriate? Are there other options for public-policy change in the social sectors? The chapters that follow address some of these questions and open a discussion on the meaning, risks, and potentialities of the reform process for developing societies.

Poverty alleviation or human development?

A key issue in the current social-policy reforms is the extent to which public-policy reforms should be guided by poverty-alleviation goals or aim at broader human concerns. Experience to date indicates that this issue is not yet resolved.

Since the early 1980s the approach to the reform of economic policies has been to open societies to the market and, in the process, break down barriers impeding the free flow of capital, consumer goods, and information (Thurow 1996; Altimir 1997). The opening of markets has been aided by a number of powerful forces: the revolution in communications and information technologies that allows the overnight transfer of capital that is equivalent to the economies of several poor countries; changes in the international geopolitical landscape; a growing emphasis on knowledge-based production systems; the formation of new trading blocks; and increasing flows of labour between countries. This is evident among countries of the European Union, the Southeast Asian Tigers (Osteria 1996; Mittelman 1995), other countries in the Association of Southeast Asian Nations, as well as those in the North American Free-Trade Area and MERCOSUR (Argentina, Brazil, Paraguay, and Uruguay). In several cases, developing countries have been active in adopting economic reforms — and their attached public-policy packages — for diverse reasons, including loan conditions set by the IFIs, the search for new market opportunities in the global economy, and changes in national political structures that reflect moves to the political right.

From the point of view of economic-growth indicators, the results are mixed and, in most cases, questionable, especially in Africa, where structural-adjustment programs form the core of the policy-reform debate (World Bank 1993b; Mosley 1994; Ponte 1994), and in Latin America, where poverty and extreme poverty have increased (Beneria and Mendoza 1995; Helwege 1995; Altimir 1997). The most recent troubles of the Asian economies, which have served as models for the rest of the world, cast further doubts.

There have been, however, important social advances (UNDP 1996). Large sectors of the population in some developing countries have greater access to social services, including basic education, literacy, basic health care, and drinking water; greater exposure to mass media and information in terms of access to radios, televisions, and newspapers; and, better and more democratic conditions for political participation. Still, however, across the developing world, social problems have increased in magnitude, despite advances in global development. Latin America is a very telling example. With the exception of a handful of countries, the region exhibits the greatest inequality in the world. In 1990, global social welfare in the region, measured in terms of real per capita income, was 15% lower than in 1980. Today, more households are

living in poverty than 20 years ago. In 1990, the number of people living in poverty in the region reached 115.5 million (Altimir 1997).

Much of the progress witnessed today in countries in Latin America and Africa only brings the gains in social and human development back to the levels some of these countries had reached before the debt crisis. In this sense, the gains in social and human development are relative. In many instances, poverty has actually increased, and new forms of poverty have appeared, particularly in middle-class sectors (Helwege 1995; Stahl 1996). The compound effects of poverty, unemployment, lack of political participation, inequality, and various forms of discrimination have greater exclusionary effects on larger sectors of the population today than before. This has obvious implications for basic-needs satisfaction, social-service provision, and prevention of the social disintegration expressed in violence, extreme poverty, and urban crowding.

The reform of social policies is perceived as a practical response to these problems. At least two reasons are given as a rationale for this view. First, persistent social- and human-development problems are perceived to be linked to the inequity caused by the poor effectiveness and efficiency of welfare-state policies and state mechanisms. Second, the advocates of the reform approach assume that there is a positive correlation between reformed policies, better policies, higher growth, and higher human development (Ponte 1994). This, however, is rarely the case. The assumption that reform processes help to put the "right" policies in place to improve the role of the state, to correct economic distortions, or to better deliver social-sector services raises at least two basic questions: Why is a reform approach the most feasible solution? What concept of social development inspires these policy reforms?

The various cases presented in this book show that the notion of social development is differently interpreted in different settings, ranging from an emphasis on poverty alleviation and eradication, to human-resources development, to social integration and capacity development. In principle, these emphases complement each other. In practice, however, they imply very different points of departure for understanding why, how, and when a policy-reform approach may be an appropriate strategy to meet basic needs as well as different points of departure for identifying the policy-reform options that take into account financial considerations without excluding social, cultural, and environmental variables.

The reasoning behind current policy reforms follows a recognizable pattern (Meier 1993). In 1991, after considerable international debate, the World Bank acknowledged that investing in people provides the firmest foundation for lasting development (World Bank 1991). For the World Bank and for other international organizations, this meant in principle better education, higher standards of health and nutrition, less poverty, a cleaner environment, more

equality of opportunity, greater individual freedom, and a richer cultural life. However, reaching these ends requires economic growth, which, under current global economic conditions, depends heavily on productivity, technological progress, and human capital. To increase productivity, countries must therefore compete effectively in the global market and make optimum use of new technologies. Accordingly, governments have to favour the factors that positively influence the achievement of these ends, such as investment in human capital, liberalization of the economy, and improvement in the efficiency of governance systems, including democratization. At the same time, they are to avoid negative factors, especially those that distort the market (World Bank 1991). Concretely, this means reforming the state and its social and economic policies.

According to the World Bank, governments need to spend fewer resources more efficiently in social services, shift spending priorities, target expenditures, and increase resource mobilization. However, the challenge is not to expand the role of the state but to exploit the complementarities between the state and the market (World Bank 1991), particularly between government, nongovernment, and profit-oriented private organizations. In this view, social development is both a prerequisite and a consequence of economic growth and the setting for collaboration between state and market institutions. The reform of social policies is needed because, as the argument implies, current policy models are inadequate.

However, interpretations of these issues vary. The Canadian International Development Agency's (CIDA's) definition of social development, for example, focused in 1987 on the concept of human-resource development. *Sharing Our Future* identified four principles of social development: poverty alleviation must be put first; people must be helped to help themselves; development priorities must prevail; and partnership must be the key (CIDA 1987). This interpretation was shared by the World Bank: it recognized that adjustment must be complemented by poverty alleviation, its "refund" goal (World Bank 1990). However, in 1991, CIDA modified these principles. CIDA's new mission statement was to support sustainable development in developing countries. Social development became an element of a much larger objective. Still, in the broader picture, in 1995, Canada set as a target to invest 25% of its official development assistance in basic human needs: basic education, primary health, safe water and sanitation, and family planning (GOC 1995; Van Rooy 1995). The total CIDA envelop for basic human needs is 21% of Canadian official development assistance, which falls short of the 25% target announced by Canada in 1995. The distribution of funds in Asia, Africa, and the Americas represented 16.4, 12.8, and 9.7%, respectively, of total disbursements (Van Rooy 1995). In terms of programs, CIDA's approach emphasizes poverty alleviation and self-help through its focus on basic human needs.

The Economic Commission for Latin America and the Caribbean (ECLAC) promotes an approach driven by technological and economic considerations as outlined in its proposal, *Transformación Productiva con Equidad* (productive transformation with equity; ECLAC 1990). In this proposal, development is characterized as the increase in the level of well-being of the population resulting from multiple factors: the prevalence of human rights; democratic political regimes; a minimum of equity, social solidarity, and growth; and the availability of goods and services to all sectors of the population. Growth and the availability of goods and services may come only through economic growth, which in turn is fostered by competitiveness.

This proposal is not, on the whole, new to the region. Its novelty is in its emphasis on competitiveness through the introduction of technological innovation, rather than depressing salary levels, overexploiting natural resources, or implementing successive devaluations — mechanisms that proved ineffective in the past. The rationale for this view of development in general and of social development in particular is as follows: to be economically competitive, countries need, for example, to offer more or better products or offer the same products for less. Because an increase in productive capacity is essential to development, technological change is a condition *sine qua non* of development, being the only means to increase productivity. However, technological change is a systemic process and requires human resources capable of understanding, learning, managing information, and adapting innovations to local conditions. ECLAC's assumption is that a growth strategy based on the introduction of technological change has a "proequity" bias, as it improves flexibility and competitiveness of the labour force between and within sectors. ECLAC also indicates that equity cannot be left exclusively to the care of a production strategy, but it should be pursued in a complementary and coherent way through other public policies, including education and other social policies (CELADE 1996; IADB 1996).

In the case of Africa, the human- and social-development situation is far more complex; accordingly, the ways to approach it are different, as the chapters by Aina and by Osei-Hwedie and Arnon Bar-on show. At one level, it is urgent to address basic human needs. Key social indicators for the region are worse than in most low-income countries. A comparison between sub-Saharan Africa and low-income countries as defined by the World Bank, shows that sub-Saharan Africa has 11 years less in average life expectancy (52 compared with 63 years), 9% higher adult illiteracy, 34% higher infant mortality, 2.6% higher fertility, and 34% lower primary-school enrolment for girls (OECD 1997). Between 1980 and 1987, for example, gross national product per capita in sub-Saharan Africa declined by an average 2.8% annually. This situation is even more critical for countries in the Sahel. Countries in the Sahel show an average of 48 years life expectancy, compared with 52 years in sub-Saharan Africa and

63 years in low-income countries; 71% adult illiteracy, compared with 43 and 34%; 112‰ (per thousand) infant mortality, compared with 92 and 58‰; 6.6% fertility, compared with 5.9 and 3.3%; and 35% primary-school enrolment for girls, compared with 64 and 98% (OECD 1997).

Yet, despite this critical situation, social development is, in practice, held as secondary to other development issues deemed more critical as a foundation for sustainable human and social development (Herbold Green 1996). The World Bank's *Adjustment in Africa: Reforms, Results and the Road Ahead* is one of a series of documents outlining the issue of adjustment in Africa (World Bank 1994). The premise of the World Bank's approach is that growth is an outcome of having the right policies (World Bank 1994). Structural-adjustment measures are needed to ensure this. Once corrective measures are implemented, basic education and basic health care become intervening factors that help to raise the income of the poor and thus social and human development. In this view, the main social- and human-development challenges are those posed by the factors affecting economic growth. These include lack of peace and social stability, poor governance, an inefficient public service, political corruption, lack of macroeconomic viability and market liberalization, absence of a skilled labour force, and unreliable infrastructure.

OECD puts people up front, proposing a social-development concept in terms of capacity development at all levels — national, regional, local, and individual. This view applies across the spectrum of public-sector and civil-society organizations. In the OECD's perspective, this framework not only reflects a major shift in the dominant paradigm of development thinking but also parallels a more general paradigm shift in economic thinking under the rubric of the "new growth theory." This theory emphasizes human and social capital as the capacities of individuals, groups, and whole societies to learn, adapt, and cooperate (Paye 1996). Social capital is the whole web of norms and networks of social engagement. It is an asset that grows out of the relationships between and among people and their organizations. Whereas human capital relates to the capacity of individuals to make efficient decisions, social capital relates to the capacity of a collective entity to make competent decisions (OECD 1996). The broad concept of capacity development embraces human and social capital and the "new institutional economics" (that is, the study of the economic impact of constitutional rules and norms at the macrolevel and the behaviour and performance of individual institutions at the microlevel; OECD 1996). Social development is much more than just poverty alleviation because it involves the idea of capacity development across the board, involving both the poor and the nonpoor.

One of the most comprehensive approaches to social development to date came from the World Summit for Social Development (WSSD). The United

Nations (1995, pp. 41–42) summarized WSSD's understanding of social development, arguing that it

is inseparable from the cultural, ecological, economic, political and spiritual environment in which it takes place. It cannot be pursued as a sectoral initiative. Social development is also linked to the development of peace, freedom, stability and security, both nationally and internationally. Promoting social development requires an orientation of values, objectives and priorities towards the well-being of all and the strengthening and promotion of conducive institutions and policies. ... The ultimate goal of social development is to improve and enhance the quality of life of all people.

Two social-policy implications of this view of social development should be highlighted. First, the perception is more or less explicit that social policies developed on the basis of the welfare-state model are inappropriate in most countries to meet current social needs and their levels of demand. Second, independently of the point of departure in understanding social development, poverty alleviation is only part of the problem, despite the fact that poverty is what often attracts the most political attention.

Social development is a multiple and interrelated undertaking that involves all levels of a society, not just the poor. In a broad developmental context, poverty is a systemic problem and not one affecting only a particular fraction of the population. To see the factors causing poverty and impeding social development as set of problems constrained by demographic, age, gender, or geographic boundaries is to see only a partial picture of the conditions affecting developing countries. In most instances, countries suffer poverty in Africa, Asia, and Latin America because wealth is concentrated and unequally distributed, productivity is low, learning opportunities are disparate or entirely unavailable, and access to power is uneven. Behind each one of these causes are ingrained social structures and institutions, political agendas, values, and practices of specific actors and social groups, whose choices make them reinforce inequality while protecting their class interests.

Because of this, from a policy-analysis perspective (Boothroyd 1995; Burdge and Vanclay 1995), the social-development agenda in developing countries cannot be reduced to a number of single goals: to adjust the economy, correct corrupt forms of governance, provide more education, or deliver more health care. Social development should include a wide range of actions across policies, sectors, and institutions and especially across a wider spectrum of social groups. The actual social-development challenge that most countries face is to design policies that can realistically and sustainably address the needs of the traditional poor and those in mid-socioeconomic sectors now excluded from the benefits of progress and modernization — the “new poor” (Bradford 1993) — and that involve the elites key to the policy- and decision-making processes affecting the distribution of the benefits of development.

Social development is thus a fundamental premise and not a linear outcome of economic growth or a follow-up effect of economic restructuring. This is why it is so important to take society as a whole into account, rather than individual sectors. This is also why it is important to consider the wide range of development policies and not only those aimed at poverty reduction or alleviation. And this is why taking action implies more than overcoming poverty. Without doubt, the alleviation of extreme poverty is a priority (Chambers 1994; Helwege 1995). However, it must be recognized that in isolation, poverty alleviation is a short-term concern. The critical issue is how to address poverty in the broader framework of public policies and how, in so doing, to lay the base for sustainable development over the long term.

A good example is education. Without question, we need to provide basic education. Empirical evidence indicates a positive correlation between years of primary schooling and basic income, particularly among women. However, from a social- and human-development perspective, the most critical issue is to provide education of high enough quality and relevance across the complete educational system. Educational reforms intended to improve basic education alone, without a broader, longer-term aim, ignore the need to mobilize the entire spectrum of social groups to build countries' capacities to understand, use, and create knowledge. Educational reforms that only addresses the needs of a society to read or to write, although essential, do not address the broader issue of building the relevant knowledge and skills to understand and contribute to the production process. The educational field is littered with examples of educational reforms that addressed short-term political objectives and ended by creating internal conditions for more inequity and even stronger external dependencies, reinforcing the state of some countries as consumers and users of knowledge and technologies produced elsewhere.

Within this perspective social development can be part and parcel of human development understood as the process of acquiring values and learning skills and participation capacities that individuals and communities must have to benefit from progress. From this perspective, social development is more than the satisfaction of basic needs — shelter, basic education, primary health care, and a minimum wage. Ultimately, social development is an issue of the values that lead a society to allocate equitably material resources and redistribute opportunities.

This view of social development, that is, as a comprehensive process centred in the creation of learning and participation capacities, is not really new. The traditional notion of capacity-building in international development has this idea at its core. What is new about this outlook in the context of policy reform is its insistence that social development should be reconsidered in systemic and not exclusively targeted terms. In the context of social policies, this indicates that social-policy changes should be the cutting edge of a broader

strategy to deal with increased inequities in income distribution, unemployment, low productivity, and the lack of competitive capacity and opportunities for vast population sectors. This is the point of view with which policy reform is examined in this book.

The purpose of this book

The purpose of this book is to examine, using a comparative approach, some of the theoretical and practical challenges developing countries face in bringing social-policy reform to the forefront of their development agendas. This book identifies and critically analyzes the dilemmas developing countries must overcome while they are attempting to reach higher levels of social and human development.

Each chapter assesses the options countries face to enhance social development in the context of policy reforms. Each discusses issues such as changing state-civil-society relations, the impact of transnational influences brought about by international development agendas that promote public-policy reforms, internal conflicts eroding an already weakened political consensus supporting the nation-state, and the crisis of resources exacerbated by, among other things, patterns of unequal distribution of wealth.

Collectively, these chapters address some of the following questions: What are the assumptions in the current understanding of development that developing countries are expected to accommodate in reforming their social-policy systems? What are the implications of international agendas for nations attempting to implement social-policy reforms within a framework of local values and cultures? What are the obstacles developing countries face in implementing feasible approaches and institutional structures to reflect more closely the integration of the principles of social equality, equity, and participation? How are these countries responding to the demands for greater efficiency and effectiveness in formulating, implementing, and delivering their social policies and programs while maintaining acceptable levels of social justice? What consideration is given local attempts to identify innovative solutions to respond to evolving social demands? What types of policy options are available to developing countries in implementing effective social-policy changes with their limited resources? What are the new risks these countries will face in the years to come if adequate solutions are not found to prevailing social-policy demands?

This book is divided into two parts. Part 1 identifies and analyzes from a political-economic perspective the factors influencing the focus, values, direction, and feasibility of policy-reform options available to developing countries. It examines the global framework of assumptions and challenges faced by developing countries in their efforts to strengthen their social safety nets

through social-policy reforms. The chapters in part 1 argue that although globalization is not a new phenomenon, it drastically affects the quality of life, the security of people, and their established sets of values. Globalization is resulting in local changes not only in the quality and composition of the labour force and production patterns but also in the social-security, protection, and value systems that depend on a stable economy. Health care, training, education, and key social programs for the poor are affected by a transnational paradigm of social and human well-being, based on a market ideology. This part of the book discusses the growing transnational character of the premises underlying social policies in a context of global social-development interdependencies and their effects on countries' capacities to provide social services to meet minimum standards of well-being.

Part 2 examines the impacts of the economically driven model of public-policy reform on social-sector policies in selected countries. Owing to changes in the global economy and international trade, the competitive capacities of many countries determine the types of social-security and social-protection systems they put in place. They also determine the types of social-sector services they are able to make available. These chapters examine how countries in Africa, Asia, and Latin America are reforming social-delivery systems and mechanisms. Some questions these chapters address are the following: How do these changes affect the steps countries in these regions take to prepare new generations to enter a changing labour market? What efforts are these countries making to incorporate the sectors most affected by these changes (youth and women) into the design of short- and medium-term policies and programs to increase competitive economic and technological capacities. What kinds of appropriate social-security mechanisms are being put in place to compensate for rapid changes in labour-market structures, employment patterns, and social safety nets to maintain acceptable standards of social equity. These chapters discuss these issues from the perspective of selected social-policy reforms, showing the interplay between growing internal demands for more effective social policies, the constraints faced by governments in their strategies to respond to these demands, and the role of global factors in facilitating or impeding their ability to improve social and human development.

The book's concluding chapter reflects on the reform dynamics affecting national policy decisions and reviews the basis for the belief that measures such as privatization, decentralization, free-market determination of wages, and budget readjustments facilitate a rapid transition from costly social-welfare systems to more effective and just systems of social protection. This final essay confronts some of the questions for which answers are still only rudimentary,

including the longer-term equity effects of such measures on the social fabric of nations, on their basic cultures and value systems, and on basic social institutions. In doing so, it calls attention to the need to identify research entry points to help respond to the central question, What kind of social-policy reform is required for what kind of society?