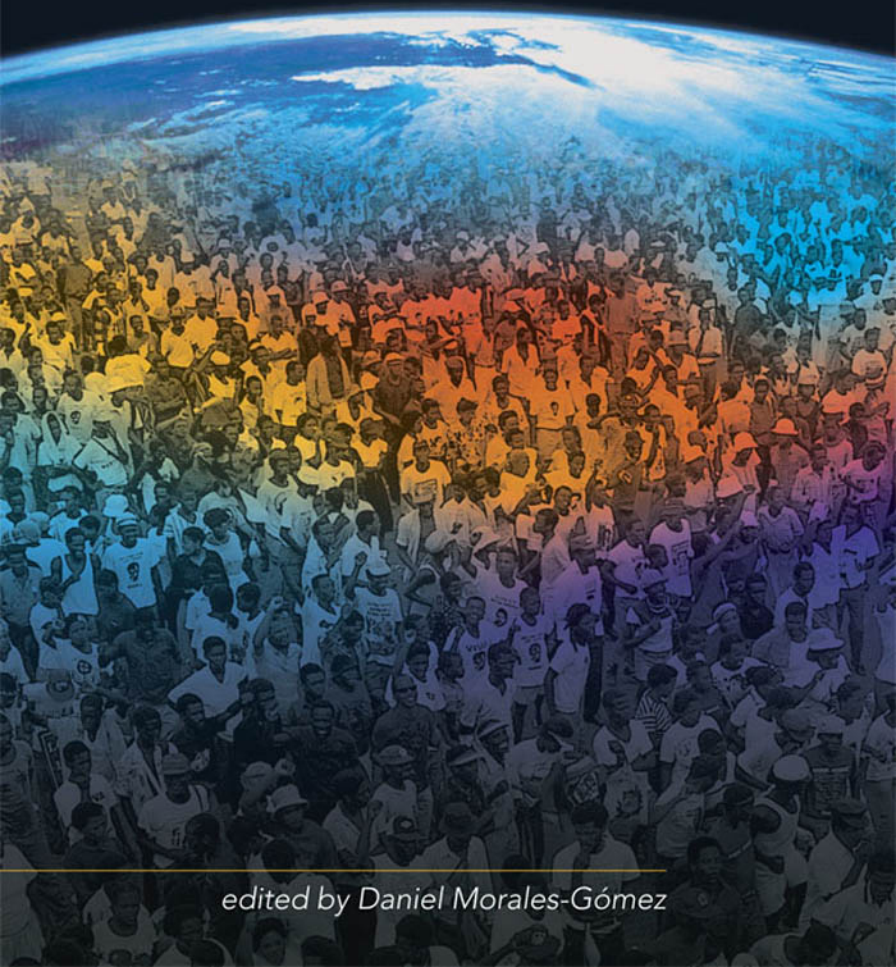


T R A N S N A T I O N A L

# 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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## CHAPTER 2

# SOCIAL-POLICY ISSUES AT THE END OF THE 20TH CENTURY

*Luis Ratinoff*

Many people believe that the world is experiencing a “Copernican Revolution” in social-policy formulation. Globalization has expanded the parameters of social policy from a domestic to an international frame of reference and from sectoral to societal processes. Awareness of the society-wide implications of specific social-policy issues comes with the realization that global interconnections tend to limit social-policy options to a narrow range of new but restricted solutions. It is becoming increasingly transparent that this range is conditioned by the interplay of two sets of rules: those allocating general benefits among groups, sectors, and regions and those providing special protection and inducements to foster specific goals or to compensate for the negative consequences of resource-allocation processes.

This chapter argues that the emerging global scenario restricts local capacities to protect and compensate people for social inequities and discrimination. The following sections will show that the new social-policy issues are not so much related to program inefficiency as to the systemic bias of resource-allocation processes. If these processes sustain or increase existing regressive conditions, improved social-program efficiency will be insufficient to turn the tide. Compensatory interventions only succeed if they can prevent further inequalities and if allocation norms are not biased by inequities and segregation. However, in developed and developing countries, political elites are now slowly learning that they cannot develop social policy in domestic isolation. Although their constituencies remain local, their actions in one place and in one public-policy area have forward and backward effects and multiple and complex linkages beyond national borders and sectoral concerns.

## Global concerns and local constraints

Global interconnectedness has resulted in a mosaic of new domestic situations in which everyone is exposed to global trends. However, this vulnerability to external influences is not everywhere the same. The degree of consolidation of existing social-policy systems seems to be a factor determining the extent of the impact of global forces. Thus, for example, local constituencies firmly committed to social policies and to social objectives in developed countries often interfere both in the range of the adjustments taking place and in the overall fluidity of the global network of influences. Such local constituencies marginally regulate changes in existing systems and provide political support for a diversity of ethical concerns central to current social-policy changes. Thus, cultural traditions and the elite's ideologies and interests often become the main limiting factors once economic isolation is broken.

Globalizing reform processes, particularly in social policy, can easily change social-policy objectives and institutional makeups; however, the destruction of the fabric of society implies human sacrifices and political prices that deter local elites from radicalizing or speeding reforms to globalize economic and social policies. Open opposition, negotiated settlements between domestically and internationally oriented political groups and interests, and expressions of passive resistance and frustration become formidable and sometimes hidden barriers to the legitimacy of elite interests. Widespread cynicism, apathy, youth alienation, corruption, and a surge in crime tend to contribute to a climate of social impotence in dealing with the human side of globalization. Authoritarian responses seem to deepen these trends, and piecemeal concessions are often insufficient. To preserve their legitimacy, therefore, local elites must build and renew social consensus.

Other sources of opposition reduce the autonomy of globalizing elites. In advanced industrial countries, where constituencies count, there are also strong civic groups capable of mobilizing public opinion in favour of environmental concerns, human rights, and social issues. In many instances, global activism has increased, parallel to the consolidation of international markets. It is not yet known whether this is a systemic trend or a momentary reaction to a few extreme and undesirable consequences of global-reform processes. However, the rise of civic organizations seems to be a significant phenomenon in globalizing scenarios, especially when disengaged constituencies search for civic values outside political parties.

### Utopian and ideological arguments

The proponents of the current rhetoric of economic globalization use two types of argument. They appeal to both modernization utopia and free-market ideology. Utopia and ideology define the justification of social objectives in

unprotected environments. Utopianism appears to expand the scope and depth of equity concerns with a host of complimentary public policies and programs while free-market ideology reduces social policies to a residual role.

The utopian argument emphasizes how progress in an environment of market continuity will have modernizing effects that spill over into social structures and political systems. This argument assumes that in the long run, free markets destabilize economically oppressive conditions. Whereas protectionist policies seem to consolidate distortions that perpetuate the privileged status of rent-seeking interests, open economies are thought to institutionalize more impersonal and efficient resource-allocation processes. However, the reduction of opportunities for profit has several noneconomic implications. Standard modernization theory suggests that the struggle for control of assets and rents is replaced by the control over markets through competition. Class-conflict issues that find a fertile ground in protected constituencies are thought to be replaced by economic-efficiency concerns and enlarged consumption as the more real and effective political pacifiers. Once maintaining a protected field of assets and opportunities is no longer the overall condition for accommodating interest groups, it is postulated that the achievement of economic efficiency and growth will become the organizing principle of social integration.

The cornerstone of modernization utopia is the idea that improved competitiveness reduces the risks of an open economy and expands opportunities for material progress, regardless of initial inequalities. Utopian discourse emphasizes the role of a sequential evolution requiring an increasing supply of adequate human capital and the development of social and political capacities for decentralized coordination, based on trust and democratic decision-making. Within this framework, an open economic system is thought to become fully sustainable wherever the human and social capital reinforce the gains of prosperity and the expectations generated by enlarged consumption.

On this utopian model, social-policy interventions are justified only under exceptional conditions. This is particularly the case when the human-capital stock is inadequate to sustain economic growth or when the depth of inequities and discrimination prevent good governance. Both exceptions seem to be broad enough to include most social programs. However, their exceptional nature also opens the way for a more restricted and ideological view of public responsibility.

Although in general, public-policy goals reflect the utopian outlook, implementation strategies harbour, in fact, many of the ideological concerns of the proponents of market dominance. Universal provision that guarantees access to benefits, for example, is replaced by focused interventions to concentrate resources where needed so as to reduce the waste of undeserved subsidies. Consequently, the scope of social policies is defined in terms of over-

or under-concentrations of resources, and their effectiveness is measured primarily in terms of overhead costs.

This combination of utopianism and free-market ideology requires a great deal of tolerance for ambiguity. On the one hand, the priority of social goals is recognized, but as complementary to other goals. On the other, the "realism" of putting the engine of prosperity first emphasizes the ideal of a community committed to the utilitarian values of economic efficiency and competition. These ideological concerns call for the institutionalization of a unidimensional culture fully consonant with the complex workings of capital returns and optimization. They suggest the need to enforce a utilitarian value system and in the process dismiss any other cultural concerns. But the ethical abhorrence of human deprivation and the need to maintain and create solidarity express other dimensions of social interaction and imply different opportunity costs in the process of redesigning the fabric of a society. Although the utopian side of the globalization project helps to promote the notion that there are public social responsibilities, it does not help to determine whether these priorities are to have an ancillary or a residual role.

The ideal of communities operating as unregulated fields for open competition not only excludes the logic of solidarity and universalistic social policies but also influences their implementation strategies. A commonplace in many social-policy reforms stemming from the process of economic adjustment to globalization is the proposal that the effectiveness of social programs can be improved by making them imitate the market. However, such proposals often disregard the specific circumstances, factors, and challenges faced by public-policy reforms. Often, an organizing theme of such reform proposals is to blame inadequate public-sector policies, abusive bureaucracies, public-sector unions, and politicization. The underlying implication is that in competitive and prosperous environments, sanitizing the field through "efficient" technical interventions can achieve more with less.

The new model of social-policy implementation emphasizes the centrality of resource optimization over politically defined goals. The very strategy of focusing the provision of benefits helps to reduce political pressure from influential groups that do not need the subsidies. In such a context, the reformers offer a battery of "solutions" to reinforce resource optimization, including decentralization, diversifying the delivery of public services, privatization, downsizing, and subcontracting.

Although these approaches seem to be consistent with market ideology, the increasing use of civic organizations to diversify and decentralize involves a heterodox array of agents, with values of solidarity and sometimes political solutions as well. This presents another challenge requiring a great deal of tolerance for ideological ambiguities, as the effectiveness of using civic organizations depends on the ideals of human cooperation and the commitment to

achieving social goals over those of resource management. The blending of issues, activism, and social mobilization with the bureaucratic market-oriented system of social-policy implementation is a Machiavellian concession to pragmatism, really incompatible with the ideal of a community of individuals devoted to capital-returns optimization. Efforts to improve the allocation of resources in the social sectors by changing command structures into incentive systems, for example, have had mixed results. It is likely that as a result of these reforms, subsidies have become more transparent, and profit-seeking interests have had less access to the benefits. In this context, the social sectors are more efficient, in the sense of lowering overhead and applying subsidies to the really needy. However, this does not mean that the programs are more effective; in many places, there are signs of a decline in the effectiveness of programs.

### **Beyond delivery systems**

The growing and dynamic role of activist civic groups in social-policy formulation and implementation fills, in part, the policy vacuum left in the wake of resource-optimization strategies and their strong emphasis on the technical rebureaucratization of social services. Although the goal of efficiency makes sense in delivery systems and is embedded in sectoral issues, most civic organizations work on the sectoral fringe or very much beyond. They deal with problems in those uncharted territories that bureaucracies and systems do not reach, such as family disorganization, depressed neighbourhoods, violence, and abandoned and abused children.

These issues transcend the limits of conventional social-sector policies and highlight the shortcomings of the resource-optimization strategies and the growing importance of nonsectoral challenges in public-policy debate. The relevance of this frontier is confirmed by the dynamic role of civic associations, social-mobilization experiences, and the incapacity of sectoral approaches to identify and tackle emerging substantive issues in a more interconnected world. Furthermore, it seems that the sector outcomes of policy delivery are becoming increasingly conditioned by this frontier of new social problems. Lessons are slowly coming together.

Good sector performance has marginal long-term progressive effects. This, however, is the case only if short-term segregation is not overwhelming and can be managed. But bad performance and inequities tend to sustain or even increase regressive conditions. Thus, for example, low-quality health or education reinforce segregation and poverty, rather than enabling individuals to break away from them. This raises a serious issue: the social environment surrounding sectoral interventions cannot be neglected any longer; otherwise, sectoral costs will increase while the effectiveness of social-sector policies diminishes.

It may be argued that the elites who emphasize the benefits of globalization are on the right track when they insist that favourable general economic conditions have the potential to smooth out the need for costly, piecemeal social engineering and when they emphasize the overall importance of a dynamic economy. But they take the wrong turn when they assume that unilateral economic parsimony is enough. The enabling environment for social-policy change depends on more than favourable economic prospects. Many of the conditions for such an environment are related to the structure of human interactions, involving economic, social, political, cultural, and ethical factors.

Civic organizations often try to deal with these issues. Their contributions to the social-policy agenda are anchored in specific issues (for example, human rights, women's roles, unemployment, civic participation, violence, and personal security) and substantive problems (for example, children at risk, youth, family violence, shelters, training, ethnic discrimination, old age, and disabled persons). However, despite their strong ethical message, they tend to shy away from radical proposals. They tend to bring into the forefront substantive policy concerns and have a significant influence on public opinion and political decisions, but these efforts represent only the tip of the iceberg.

## **The role of civil society: social entrepreneurship**

In today's context of social-policy change, civic organizations are bringing back the notion that social-policy effectiveness is a central parameter for assessing a policy's success. This pushes the often limited bureaucratic horizons of the sectoral delivery system beyond the range of single substantive issues and constraints. The relevance of the social environment surrounding the delivery systems in explaining costs and results reveals the shortcomings of sectoral resource allocation as the main tool to improve social-sector effectiveness. Thus, for example, health-system costs and results are conditioned by several external factors, such as lifestyles, family structure, physical and social environments, health cultures, and standards of life and nutrition. Selecting among alternative health-delivery priorities to allocate resources better may improve levels of health but only to the extent allowed by such environmental factors. Similarly, educational institutions perform poorly in adverse socioeconomic conditions. Special programs to compensate for this may be required, but they add to the costs, and in many cases expectations are lowered. The lesson to be learned is that schools and health-delivery institutions are not designed to deal with these issues, although they can be severely affected by them.

Although a less ideological social agenda seems to be slowly emerging, it too brings complex challenges. From the perspective of policy implementation, the contribution of civic organizations poses new problems. On the one hand,

highly formalized and regulated systems designed to address nonsectoral challenges do not seem to respond to the existing heterogeneity of circumstances, resources, and opportunities. On the other hand, the many single-issue strategies to achieve social goals through decentralized agents and interventions may be easier to implement but require abundant local capacities and initiative, the enabling ingredients of a strong civic society. As these are not found everywhere, issues are raised with increasing frequency about the effectiveness of the civic-organizations approach. There is also a growing awareness that decentralized interventions tend to become remedial and restricted and that local success stories often have limited multiplying effects.

In practice, the civic-organizations approach could be both remedial and preventive. The relative significance of prevention depends to a large extent on the amount, intensity, and sustainability of the “disturbances” that civic associations generate in the existing systems in the process of influencing public opinion and decision-making. Successful disturbances, for example, have had profound consequences for the public ethical commitment to social well-being and to social and human development. Most civic associations respond to the lure of ideological incentives and many of them become vocal in their criticism of the existing order. These “noises” are disturbing because they emphasize ideological concerns to set ethical limits to unregulated interests, such as insisting on basic rights, environmental preservation, equity, political fairness, and fair distribution. In a public arena increasingly devoid of values and long-term goals, civic associations fill a vacuum. Although most are critical, not all are equally vocal. They all share the endeavour to focus public opinion on the specific issues they promote. Today, their disturbances are as important as the other benefits and services they deliver. But, unfortunately, this ideological contribution sometimes comes with the paralyzing effects of the challenges posed by increasing social-policy complexity.

This less organized side of social policies often deals with strategic clusters of human interaction, and the success of a specific program is bound to have enabling consequences that improve sector performance and participation at the local level. Strategic clusters have such multiplying effects because they condition the outcomes of a gamut of sectors and interactions. Successful support programs for families, women, youth, children, and for neighbourhood and community reconstruction, for example, seem to have an overall enabling effect that improves sector performance and modifies individuals' behaviour. It is known that decentralized, nonbureaucratic agents achieve impressive results. The issue then is not the success but how sustainable these efforts are. Several instances of this appear in case studies in part 2 of this volume, illustrating how effective and cost-efficient decentralized intervention can be, but these studies also point out the difficulties in recreating these success stories. To identify and replicate success one needs a new type of capacity. Societies

are slowly learning to train social managers to operate in bureaucratic environments requiring a great deal of coordination, resources, mobilization, and community cooperation. However, we are still a long way from knowing how to multiply the number of these “social entrepreneurs,” for they are the decentralized, nonbureaucratic agents who can create or recreate specific social programs, including design, development, resource mobilization, implementation, personnel management, recruitment, motivation, and adaptation to changes and emerging opportunities.

Current trends in social entrepreneurship suggest that this approach involves a complex combination of philanthropy and activism and the relationship between individual motivations and social incentives. At one level, personal commitment highlights the overall importance of motivation in the recruitment of social entrepreneurs. Despite the contemporary cultural emphasis on power and material gains, some institutions and traditions continue to instill altruistic values and attempt to disseminate integrative cultural and political themes in social-policy discourse and action. Social incentives, in turn, reinforce the ideal that the real world still has room for nonutilitarian convictions and enable the transformation of generous concerns into actions and programs.

Social entrepreneurship is a critical issue for any decentralized social-development strategy based on private civic organizations. In this regard, the question is one of balance and resources, particularly in times of the retrenchment of public-sector programs that occurs with the assumption that local authorities will meet responsibilities through civic-society associations and initiatives. In this context, the success of charities as tools to reduce social inequities, for example, depends on a progressive economic and social environment. Often, however, such tools are not effective alternatives for the regressive systems in place, except for the ethical influence they have through their capacity to create disturbances.

## **Social entrepreneurs and systems**

The existence of civic associations as social-delivery agencies at the local level is often precarious. This is because the large scale of service-delivery operations and their need for continuity require an adequate and steady supply of private or public funds; in practice, donors tend to define standards and impose nonspecific conditions. One of the outcomes of this is that civic groups enter into asymmetric relationships of financial dependence.

Although this dependence may seem initially attractive to many civic organizations, when financing opportunities entail the expansion of their operations, at least three adverse consequences are difficult to avoid: constrained, self-regulated step-by-step programs become externally regulated by donors; less room is given for self-initiative and innovation; and more supervisory

control becomes indispensable. One of the outcomes of this is that the relationship between those who grant the funds and those who provide the services tends to be one of implementation through subcontracting. In some cases, these arrangements may be more flexible than command structures and also more cost effective; however, it is reasonable to assume that increases in bureaucratization in the delivery systems may result in donor-induced rigidities and higher costs. Despite this, subcontracting with civic organizations may be an alternative that pays back in areas and in situations beyond the capabilities of hierarchical social-delivery systems.<sup>1</sup>

In the world of contemporary social-policy change, a lot has been said in favour of the participation of civic-society groups in social-policy implementation. However, we do not have enough information to know how much to expect from them. Unrealistic hopes may be a fertile ground for frustrations, and the truth is that no matter how successful they become, their interventions are designed to be limited in scope and number.

Without doubt, a better understanding of the limitations of these new arrangements may be helpful. In addition to the difficulties of finding social-entrepreneurship capacities and the hidden effects of such alternatives as subcontracting, the ability of these arrangements to deliver results with low costs is limited in scope, given the limitations in the design of the programs. In most cases, the maximum multiplying effects occur when new possibilities emerge as a consequence of the social-mobilization that civic organizations unleash. However, this requires a great deal of political tolerance and restraint on the donors' side. Civic organizations that generate social mobilization for specific issues often become gradually tolerated as a source of social "turbulence." The tolerance, however, depends on the subordination of their role to existing institutional frameworks. Civic associations can and do influence political opinion, but they are not political parties. The latter define their positions vis-à-vis specific issues from a relatively consonant ideological range of views. Civic associations are issue oriented, and up to now they have not tried to provide general economic and social cures. In fact, their very ability to influence across party lines enhances their power and ethical resonance. They are not radical groups with their minds set against the established order. Civic associations are indeed critical of the ways the established order performs with respect to specific issues, but they propose to improve it step by step, through programs, new rules, and persuasion.

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<sup>1</sup> A new jargon has emerged in the last 10 years to distinguish the genuine nongovernmental organizations (NGOs) from government-induced or government-controlled NGOs (GONGOs) and from donor agency-induced or donor agency-controlled NGOs (DONGOs). Experience shows that GONGOs and DONGOs tend to duplicate NGOs in the same areas and sectors and are less adaptive and effective and therefore less cost effective. They experience some corruption as a result of the amount of the external financing they receive, often from a single source, and the bureaucratic influences and interests that shape their operations and their very survival.

Genuine expressions of local government and political autonomy in social-service delivery seem to step over an ambiguous threshold. From the point of view of the global interests promoting policy reform, the concept of civil society seems to lose its positive connotations when a broad political movement emerges articulating claims such as universal-equity goals beyond local and specific concerns or when civic associations reject their subordinate status. Thus, social policies designed to transfer responsibilities to private agents and to deprived groups, without simultaneously opening up opportunities or fostering capacities and more power-sharing, are bound to face some complex challenges. The notion of empowering people has made some conceptual and even a few practical inroads, but up to now such efforts seem to fall short of achieving their goals. Nobody knows how much empowering is enough or how to deal with the lack of initial powers. Furthermore, we have no clear consensus on how much power to transfer. Similarly, restricting equity to poverty issues, as is often done when social organizations become involved in service delivery, creates the danger of a significant political backlash. Although the idea of a nonrevolutionary political backlash is difficult to grasp, still it may have serious consequences.

In more protected societies, the threat of social upheaval has been the ghost that supports the political mechanisms in place; however, in the less protected global environment, with a nonpolitical but nevertheless implicit modernization agenda, macrosocial imbalances can generate “implosions” that undermine the effectiveness of specific countries’ existing institutions. Some of the signs of this phenomenon are collective feelings of political withdrawal, youth alienation, deep cultural fractures, and increasing violence and crime. All of these point to the emergence of radical trends, anarchic individualism, and the weakening of social bonds and ethical commitments.

## **Frictions and strategic social clusters**

One of the main challenges in the current global scenario is to achieve social order in the context of rising social disintegration. This is no longer just a political issue — one of achieving formal institutional stability. Modern implosive environments affect, in practice, the fabric of human social interaction. Once the politics of hope, based on achieving a more equitable social order, is replaced by the politics of prosperity, based on reaching a higher rate of economic growth, little room is left either for the public expression of social tensions and aspirations or for articulating these frustrations in a comprehensive political project. Experiences indicate that although it is unrealistic to expect major social upheaval, if nobody proposes workable political alternatives, one

can expect a number of specific challenges that tend to exceed institutional capacities for sustaining law and order.

This is an implausible social horizon. In fact, drug consumption has increased in most places, as have crime rates in urban centres. The phenomena of alienated youth and an adversary youth culture have made significant inroads in the last 20 years. Furthermore, citizens' perceptions of personal insecurity and political corruption seem to contribute to a political culture of detached and uncommitted individuals. These trends suggest that a working social order cannot be taken for granted. In this context, the failure of the resource-optimization approach, either as a restricted, residual policy or as a broader ancillary strategy, stems from the assumption that a working social order is given and that the task at hand is to perfect it through technological progress and prosperity.

The simplicity in the design of this approach and the complexities of the issues suggest that persistent social issues are determining the extent to which sector efficiency can be translated into social-policy effectiveness. This is often described in terms of "friction" generated by the resistance from the field to program implementation. It is thought that the new social-policy challenge is to overcome the countercurrent and the turbulence. However, contemporary social-policy practitioners have identified a number of strategic interaction points. Many of these strategic interaction points reflect the impacts of modern technology on human society; the increasing exposure to global risks that in the last 20 years have helped to deepen those impacts; and the ongoing trends that seem to sustain them. The following sections discuss some of these strategic interaction points.

### **The rediscovery of the family**

At the end of the 20th century, the strategic importance of the family in sustaining the fabric of society has been rediscovered. Unfortunately, this is occurring in the context of a debate clouded with normative overtones. The issue of the family has become an area in which rhetoric converges with cultural diversity. This issue illustrates the inability of modernization utopianism to settle other ideological divides that are polarizing societies. The current debate helps to focus attention on the problems for the survival of family life under harsh urban conditions, but disagreements over issues and solutions have paralyzed the development of a better coordinated strategy.

The state of the family plays a crucial role in contemporary social-policy change. Most people agree, for example, that the state of the family has profound implications for social-policy implementation. Thus, the cost effectiveness of health and educational systems seems to be related to family integration and stability. Something similar can be said of welfare policies. Although this is not the place to elaborate on these complex linkages, it is

relevant to emphasize that policies to help families at risk are difficult to design. In most cases, family groups are highly adaptive, but they cannot cope with some of the effects of globalization. As evidence shows, a great deal of family disorganization observed today is due to the indirect influence of transnational factors in the socioeconomic environment.

Not all of these can be controlled or eliminated, but the conditions for family life can be improved by reducing a significant number of them. Some of these obstacles are specific, simple to deal with, and have multiple implications for family-group stability, such as child-care services and access to recreational facilities and subsidized housing. However, not all these factors are so specific or respond so well to immediate treatment. The more diffuse the linkages are, the more complex is the challenge, such as unemployment, the negative influences of depressed neighbourhoods, some inherited lifestyles, or the magnetic values of contemporary commercial culture. By eliminating social-protection systems and mechanisms and by increasing the exposure of the individual and the family to risks, for example, globalization is helping to enhance the strategic importance of stabilizing values and rules. The influence of cultural factors is still diffuse, despite the fact that families are anchored in explicit normative frameworks. The erosion of traditions and the emphasis placed on returns to capital, even in areas of social development, has weakened legal frameworks for family protection. The law is no longer enough to protect the family when exposure to risk is on the rise, and in many cases, existing norms have become inadequate.

Today, families face problems that hinder their capacity to stay together and to produce services and allocate rewards. Finances for the special services that family groups provide are under severe strain. Experiments in substituting families for institutional alternatives have not been successful from the point of view of quality or cost. Supporting and strengthening families would be a much more cost-effective approach. The increasing participation of women in the labour force is a sign of the type of adjustments taking place, as well as being an expression of women's attempts to break away from their traditional entrapments in a world that undervalues the role they play in the family. The gap between the normative models and the realities of family life has gradually become wider. On the one hand, the increase in one-parent households, or "incomplete" family groups, is significant. On the other hand, adaptive practices are often legitimized in direct contradiction to local cultural patterns.

### **Demographic trends are still a challenge**

Despite contemporary cultural debate on reproductive rights, population issues have become an indispensable social-policy dimension. Demographic trends determine the human quantities, the crucial bottlenecks, and the relationship between the age structure and the allocation of risks. Furthermore, the new

patterns of sexual behaviour generate health and educational costs along the way.

For modern residual social policies, population trends are increasingly becoming essential background information. It is assumed that economic prosperity will change human attitudes toward the meaning of life, disease, and death but, in the meanwhile, only restricted interventions make sense and have this effect, especially in the field of reproduction. The aging of the population, the new mortality and morbidity patterns, the increased length of schooling, the impact of a spreading culture of freedom, earlier sexual maturity, and the higher rate of female participation in the labour force cannot be easily dismissed as expressions of demographic transition, as they affect social and economic choices. A battery of social programs may be needed to deal with these complex issues.

### **Adults come from children**

Abandoned, exploited, and abused children are becoming a widespread problem in high-density areas in both developed and developing countries. Modern conditions are not only adverse to family integration and survival but also to the well-being of children. These problems are related, but they are not identical. The increasing number of dysfunctional families is probably a factor; however, from a social point of view, high birth rates among deprived social sectors and the high incidence of illegitimacy are also important contributing factors. A significant surplus of children and adults who shy away from parental responsibilities create opportunities for exploitation and abuse. For social-policy purposes, the recognition that high birth rates alone do not explain the exploitation and abuse of children in contemporary societies has opened the way to a reassessment of, for example, socialization processes and the role of legal-protection systems.

### **Undernourishment has become urbanized**

Hunger and malnutrition are still present. They have become urban problems in modern social settings. Enough evidence shows that these problems are closely related to poverty and that they have sequels of terrible consequences. Child undernourishment incapacitates children's development for a lifetime. It hinders the development of intelligence; it reduces attention and learning capacities; and it reduces the vitality of individuals, as well as making them more prone to disease. Good ethical arguments can be cited in favour of nutrition programs, and from an economic perspective the long-term costs and productivity losses from malnutrition are significant. Although nutrition programs and policies are easy to design, they are difficult to implement. Many target groups tend to misuse the general-purpose help they receive because they have

other unsatisfied needs. But focused interventions produce limited results and must be provided in association with other social services and programs. The lifestyle of many of the groups affected is conditioned not only by poverty and deprivation but also by the lack of an adequate nutritional culture.

### **Alcoholism and drugs**

Alcohol and drug abuse are also commonly found in modern societies and have incapacitating and dangerous consequences. Both are often associated with poverty, discrimination, and other inequities that generate feelings of alienation. Although some room is left for prevention through education, reinforced by group pressure, it is symptomatic that available resources are spent on rehabilitation programs and police interventions to reduce the supply of drugs. This occurs despite the fact that not enough is known about, for example, the cultural aspects and the specific circumstances of the abuse of psychoactive substances. The idea that these problems are not new is difficult to refute; nevertheless, the current social-policy challenges are to reduce the scale and curtail the spread of the problem.

For the most part, police interventions are expected to resolve the social concern about drug cultures and the entrapment of young people in addictions. However, in many industrial countries, not only is the illegal-drug market dynamic, but also the demand adapts to new products when the supply of others dwindles. Daily news of the drug situation reinforces the image of supply adaptability, but the factors that explain the demand side remain in the shadows. The control of the supply of drugs has produced limited results; a better understanding of demand is needed together with new social policies directed to dealing with these problems, particularly health and education policies.

## **The syndrome of reduced teaching intensity and modern education**

The current social-policy focus on sectoral-allocation issues, specifically in the case of education, obscures the consequences of the syndrome of reduced teaching intensity (RTI), or the teaching efficacy of schools. Teachers know that the school climate is a powerful component in the process of producing an educated mind. High teaching intensity results if the transmission of knowledge is associated with the transmission of values and habits. Emotional problems seem to block the process of learning, but values and habits contribute to emotional stability. In other words, classroom teaching efficacy is negatively affected if the school values clash with those of an adverse cultural environment. Educational institutions tend to adjust their expectations to the possibilities and opportunities of their cultural environments. Thus, in deprived and

violent areas, school results are below average because they reflect not only the insufficient motivation of families, groups, and neighbourhoods for education but also the lower efficacy of the adjusted classroom standards. In modern societies, RTI syndrome is becoming one of the most serious challenges to social equity because it dulls the progressive edge of educational processes.

In the context of globalization, RTI syndrome originates in the conflict between a culture under pressure to modernize and introduce technology and school systems unable to respond to these new challenges. This discontinuity is raising costs while lowering the standards of the services delivered. Furthermore, the multiple attractions of modern societies, passive socialization through impersonal electronic media, and the processes of active emotional socialization through affiliation networks all seem to have advantages over the procedural teaching methods of school systems, but they fail as substitutes for formal education. Further, a less intense formal education cannot compete with these alternative ways of learning.

This situation seems to have some perverse consequences. Teaching intensity broadens the children's information horizons and nurtures the skills of abstract reasoning to deal with the challenges of complex modern societies. However, the abundant information flows associated with economic globalization and transnational influences produce negative reactions and feelings of insecurity if individuals do not have the capacities to deal with a simultaneous multiplicity of disturbing signals. A creative use of heavy information loads is incompatible with simplification and requires a great deal of mental discipline developed through systematic learning. We are slowly learning that information overload is not so much a function of the amount of information per se but of individuals' capacity to use information in discursive, symbolic, and interactive ways. When this capacity is low, individuals seem to close their minds and select whatever information reinforces their basic beliefs.

The social challenge posed by higher information density is to develop people's capacities to find the right balance of needed information and to avoid the negative consequences of information overload. The idea that abundant flows of information may slowly replace classrooms and be compatible with less intense formal education ignores the role played by the educated mind in structuring information; without this structure, signs, and messages generate mainly automatic reactions and images perpetuate passivity and imitation. To develop people's capacity to convert signs, messages, and images into discursive and active understanding requires both extending education to new social sectors and using more intense strategies to deepen the cultural influence of formal learning.

## **The transition to adulthood**

Youth problems are signs of modern times. Rapid technological change has helped to increase the cultural gap between generations. More than ever before, the continuous obsolescence of language, values, and expectations has emptied the common ground that used to link young people with the adult world. This trend is reinforced by the commercial marketing of youth products, by postponing the age of incorporation into the labour force, and by the uncertain opportunities offered to young people at the end of this latency period.

The problems are not necessarily new, but they have accumulated over time. The insufficiency of existing social systems to respond to young people's demands has established an area of public neglect that has a wide range of negative implications. The commercial exploitation of the images of youth has resulted in the gradual fading of the limits between fantasy and reality in terms of young people's expectations, and the emphasis on material consumption is helping to water down idealism. The lengthy educational period required by labour markets and the weakening of sustainable legal-protection systems for children and young people have institutionalized a latency period that raises expectations. The more uncertain the light at the end of this tunnel, the more difficult is the integration of young people into the mainstreams of adult life in global societies. The syndrome of youth alienation and young people's adoption of more radical lifestyles suggest that these problems are generating future costs both for society and for these young individuals. These developments also suggest the need for new types of social policy.

## **Neighbourhood traps**

Rapid urbanization and population growth are redefining the global social scenario. The provision of basic services and jobs continues to lag behind demands while a process of social deterioration is taking place, particularly in the urban areas. Increasingly, cities and neighbourhoods are becoming social territories, segregated by frontiers formed by different levels of productivity and investment and the availability of meaningful opportunities. For example, significant sectors of the urban population experience the benefits of the modern city only through the deprived territories they inhabit. These depressed human environments tend to sustain existing regressive conditions and represent tremendous obstacles to the effective implementation of social policies.

To develop linkages of neighbourhoods in depressed urban territories is a complex task that requires societies to create trust in the absence of the necessary reserves of social capital. This task has important institutional implications. The challenge is to decentralize responsibilities and powers while reestablishing the role of publicly elected authorities and central institutions. The development of a sense of neighbourhood requires the universal

prevalence of law and order and provision for local needs. To have sustainable results, the economic bases of the neighbourhood must be rebuilt, and adequate social services must be provided.

### **Simple designs, complex execution, and economic constraints**

In the current public-policy environment, it is often difficult to execute, coordinate, and balance ancillary social-policies while achieving the global economic goals of improving system efficiency, using decentralized implementation strategies, and reducing the obstacles to more progressive conditions. Because the decentralized approach is disorganized, its success requires attaining indirect multiplier effects beyond the direct policy objectives. The nonbureaucratic coordination involved in this approach needs to build on the mutually supporting synergies that social policies are supposed to generate, and their multiplying effects have to exceed the inequities the current structures of society create. The participation of people in this social-policy compact is the only factor not directly conditioned by resource availability. All others are resource driven.

The globalization paradigm that lies behind the processes of economic-policy reform involves the assumption that the free flow of capital and technology will ultimately minimize the need for costly social-policy interventions. However, it is recognized that social policies have a role to play during the transition and that the resources and capacities invested in them should reflect their relevance — without, that is, jeopardizing material progress. Until now, utilitarian arguments have relied on utilitarian assumptions, but it is always difficult to consider the long-term effects of social interventions in dealing with immediate problems. Moreover, not everyone believes that the progress brought about by globalization is beyond the reach of politics and the interests of specific constituencies. It is also believed that despite visible global trends, social order remains grounded in local conditions. In fact, the globalization project contains no proposals to replace national authorities or to allow the free flow of people across borders to alleviate tensions resulting from structural adjustments and social-policy reforms.

Politics and values indeed play a role in this transition. Beyond ideology and utopianism, the progress of global integration requires a great deal of sustained political negotiation to accommodate the imperatives of internal order and to recognize the cultural traditions that make communication meaningful. People are slowly realizing the importance of cultural traditions. The costs of law and order are bearable if people share commitments and identities, but chaotic conditions seem to emerge with radical disengagement from the past. Some

contemporary political experience suggests that people without history are unable to supply the bases for institutional stability or for civic culture. A discrete range of similar feelings of time and space provides people with a common identity and frames the meanings that facilitate interactive communication.

For those who think that nonutilitarian values and goals play a significant role in policy change, international market integration is also desirable from the viewpoint of the economy, and they argue that the social and cultural implications of globalization should involve political decisions about the distribution of the sacrifices and benefits — gains and losses. This line of thinking emphasizes that governments still have responsibilities to their constituencies, despite the complex and sometimes volatile workings of global markets. The exaggerated notion of an impersonal, self-regulating system is a political myth that serves to justify inaction and neglect. The proponents of an ethical political framework for globalization try to use the opportunity provided by the new policy scenario to maintain and develop a feasible order, applying the benefits to achieve a reasonable degree of social fairness, participation, cultural identity, and more effective legal protection. This requires, for example, formulating political projects — projects that sustain cultural diversity and the commitment to moral rights and obligations, open the political field to new participants, gradually reduce deprivation, and pursue equity through more competitive social processes.

## **Social policy as a legitimation agenda**

An alternative social-policy agenda, promoted by the policy-reform process, has gradually emerged from the contemporary experiences of many societies suffering basic-needs deprivation, violence, crime, alienated constituencies, cultural turmoil, feelings of widespread corruption, and growing personal and job insecurity. A heterogeneous coalition of moral conservatives, churches, civic-society activists, union leaders, and members of the disaffected middle classes supports the hypothesis that these implausible symptoms come from an unresolved macrosocial disequilibrium that increases the costs of maintaining a feasible order.

Although ancillary social policies in a global environment are mainly concerned with making economic prosperity a functional reality, ethical considerations do emerge in regard to achieving and maintaining a feasible order in the midst of the present chaos. The organizing themes are the legitimation of normative frameworks and procedures to provide minimum levels of stability and to fill the void created by the denial of the role of nonutilitarian values in generating social integration and development. These themes are often not components of a predetermined ideological set but simply make up an ad hoc

list of concerns. However, they are more than just a loose enumeration. Behind their apparent randomness lies the contemporary experiences of out-of-control social trends working to undermine the fabric of society. A more detailed examination highlights some of the emerging concerns.

## **Fairness**

The notion of equity cannot be reduced simply to that of charity. It is charitable to eliminate destitution, either through direct assistance or expanding work opportunities for the less productive sector of the labour force, but justice relates more to the fair allocation of rewards and opportunities. The modern phenomenon of increased consumption, coupled with increased levels of personal dissatisfaction with the existing order, is indicative of prosperity but also of negative expectations in relation to the distribution of rewards and opportunities in society. Although material well-being is a powerful pacifier that may induce conformity, social justice is a much more complex social stabilizer. In fact, the concept of fair social protection is normative, interactive, and dynamic. A profile of existing invidious economic disparities and the ways rewards are allocated is useful in understanding people's expectations of overall social fairness.

Two structural dimensions can be used to gauge levels of equity generated by social policies: income distribution and vertical social mobility. Reducing poverty may simultaneously lead to increasing economic disparities, and this is incompatible with the expectation of participating in a fair social order. But high levels of income concentration suggest conditions that prevent or slow trickle-down processes, especially if regressive trends remain unchanged. Low social and economic mobility are signs that despite economic growth, opportunities remain concentrated and unequal.

Experience has shown a less than perfect relationship between economic and social competition. Although low wages, the accumulation of resources, and the monopolization of opportunities may foster economic competitiveness, they close rather than open social systems. A simple projection shows that with more regressive prevailing economic conditions, higher growth rates are required over longer periods of time to achieve better redistribution; this is because existing discrimination becomes deeply entrenched and slows down the expansion of economic participation.

## **Legal protection: rights and obligations**

Adequate legal protection is a critical social-policy issue. However, the more abstract the system of rights and obligations, the lower the chances for effective legal protection. Formal rules provide a regulatory framework. However, in

most cases, they directly or indirectly assume that rights exist mainly for those who have the resources or affiliations to claim them.

Without widespread moral commitments, a mosaic of segmented legal expectations emerge: for some groups, the law is an oppressive framework; for others, it is a normative framework to facilitate interaction; for others still, it is an instrument to win additional advantages when an effective normative system in society is lacking. The erosion of the moral community helps to consolidate a situation in which a pragmatic legal culture progressively dominates the moral normative structure.

The main symptoms of a fading moral community are the declining cost effectiveness of the justice system and the gradual privatization of the little social protection that is still provided. In these cases, good arguments can be developed for implementing legal reforms and improving the administration of justice, but a moral community is grounded in observance of a system of rights and obligations rather than in imposing specific rules. And the rehabilitation of the moral community is essential to any social-policy system established to restore society.

## **Social participation**

Alienation is widespread in modern societies. Regulating competition among political elites does not seem to resolve the issues posed by today's complex societies for representative government. Political representatives quite often become self-serving and develop agendas and compromises to help them gain power. However, those agendas are insufficient to tighten their bonds and commitments to their constituencies. More and more, people feel that they are underrepresented and believe that neither their support nor their opposition to a political representative makes any difference to the ways decisions are made.

The growing politics of interest representation in the age of globalization has slowly eroded the role of values in public life and encouraged politicians to pay less attention to the problems affecting people's daily lives. The increasing use of highly divisive issues to mobilize minorities to break down the apathy of the majority is becoming a permanent component of representative democracy, but it seems to reinforce these negative trends. Constrained by a wide range of interests, modern political representatives at all levels are no longer keen on values. Visions of a better community have become dysfunctional empty illusions useful only for the opportunistic politics of market integration.

The power that political representatives enjoy today does not seem to expand their freedom to choose alternative options. They feel at ease negotiating interests but impotent to deal with value-loaded issues. In a world of political interests, structural reforms seem the only way out: a reorganization of the deadlocked space may open room for a new manoeuvre. What is lacking, however, is the realization that these reforms demand human sacrifices, have

visible direct beneficiaries, and also require a considerable waiting period to achieve progressive results.

The reaction of modern constituencies is understandable: the numbers of “informal” systems of representation are rapidly increasing. Civic organizations have become self-appointed representatives of forgotten political values, and grassroots associations tend to reclaim that portion of popular sovereignty that formal systems took from people. Empowerment has become a loosely defined piece of contemporary political jargon. Systems for informal participation are central to solving social problems today. Under the rhetoric, the extension of citizenship beyond the boundaries of segregation and neglect requires the gradual transfer of power to grassroots civic associations.

### **Cultural diversity and deprivation**

Cultural deprivation is a complex syndrome of globalization. Initially, it was a problem for minorities and ethnic groups forced to abandon their values and traditions to become part of modern life. Shame and guilt were associated with the process of giving away their cultural identities. Anthropologists have analyzed how some of these groups and individuals became trapped in a void, feeling guilty for being themselves and feeling unable to become something else. Societies today understand very little about how cultural traditions work, perhaps because fantasies and emotions are involved. However, a great deal of information suggests that “continuity” solutions seem to produce the best results. People who keep their cultural identities face difficult dilemmas, but at least they tend to compromise themselves in more creative ways.

Cultural deprivation is becoming widespread. The global commercial culture is taking over and reducing local diversity to a fringe. Cultural expressions are no longer determined by time and space; they are fantasies without points of reference in reality. This gives people under their spell a sort of liberating experience, but they are unable to bridge the gap between their daily lives and the electronic sounds and imagery. Also, this pervasive commercial culture seems to provide no signs or avenues to higher levels of culture. Culturally, it is more important to entertain, and the subliminal effects are more important than the message.

The revolution in communications afforded by information and communication technologies, including the Internet, is opening as many new opportunities for cultural oppression as for cultural freedom. For those who can understand and add meaning, the Internet provides cultural freedom. But in many places, the symptoms of a cultural deprivation are beginning to emerge. The need to live according to uprooted fantasies produces a symbolic space devoid of meaning, together with an incapacity to create meaning. Audiences are growing, but this culture is either passive or reshaping the world in the image of its fantasies. Cultural traditions that remain on the borderline

between reality and imagination are lost in this process, and they are no longer sustained. The issue of cultural diversity has come to the forefront because the countries that have been able to modernize their cultural identities seem to fare better, despite living in a world of high exposure to risks and uncertainties.

## **Conclusion: resources optimization or goal achievement**

Without sustainable prosperity, residual social policies will fail to make sense. The more the effectiveness of the ancillary approach depends on the reduction of friction, the more complex and wasteful this type of social-policy will become. Prosperity-driven social solutions for a globalizing world assume that increased consumption and the expanded opportunities created by economic success will be enough to gradually improve social equity. This, however, implies a slow but systemic expansion of more rewarding opportunities.

If the equity effect of prosperity is less than satisfactory, governments may require a more political and universalistic, not necessarily a more centralized, approach to social policy. Also, governments ought to replace resource-optimization criteria with goal-achievement criteria; otherwise, the political pressures might prove to be difficult to manage and policies may evolve toward a patchwork of unrelated programs.

The experience of the last 20 years illustrates how the incentives design of ancillary and residual policies requires a complex set of special programs to achieve results. Available information suggests that the cost-containment motive implicit in most resources-optimization social policies has three significant impacts. First, social-sector standards are kept low, for improvements in social service increase unit costs. Thus, for example, the aggregate cost of a larger student population tends to grow disproportionately. Second, some former public expenses are now transferred to families and to private groups. Third, there is need to provide additional public or private financing for special, nonsectoral programs. However, the indicators of social equity suggest very slow or no improvement. In fact, this type of policy approach fails to achieve progressive social goals.

The long-term feasibility of globalization trends may increasingly depend on more effective social policies to better distribute the high cost of adjustments. The emerging issues dwell on two sides: more effectiveness and coordination in social-policy programs and also regulatory frameworks to facilitate market integration through processes less wasteful of human lives and social capital. The development of noncommand structures of social-policy coordination is still a challenge. "Mimicking the market" makes sense to non-altruistic interests, but altruism and commitment to service require examples, models, and incentive structures to create, spread, and adopt innovations and

build-in institutional learning processes. Experiences with trying to metaphorically frame social programs within “market-competitive” solutions have not shown the results expected by the institutional social engineers. New forms of bureaucratization and command have emerged, sometimes more orderly in their first stages but also more rigid. The lack of adaptability has been the doom of preceding command structures, and the prices that must be paid in these cases have been too high. Further, the diversity of needs in the age of globalization often exceeds the available capacities to provide for them.