INTEGRATED SOCIAL POLICY

from Concept to Practice

Report II

II

UN-ESCWA

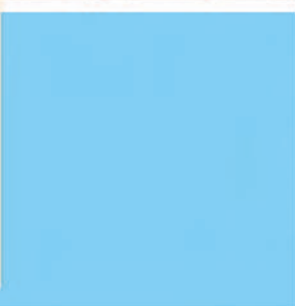**UNITED NATIONS - Economic and Social Commission for Western Asia**

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ACKNOWLEDGEMENTS

PREFACE

Societies have made considerable progress in acknowledging and upholding the social rights of groups and constituencies. Social rights, concepts and applications have made their way into the legislative and policy framework of most societies with the setting up of social security systems and safety nets, the establishment of a minimum wage, the acknowledgment of the role of trade unions and civil society as watchdog partners, and the increasing participation and integration of women in economic, social and political life. The recent international focus on the poor and poverty reduction - best captured in the globally acclaimed UN Millennium Development Goals - and the concept of 'the poverty line' highlighted the need for societies, particularly those in the developing world, to pool their efforts in order to alleviate the scourge of poverty.

Are we, then, on the right track? Does the focus on poverty do justice to the definition of social equity? Does the poverty debate take into account the structural social deficits in shaping, implementing, monitoring and sanctioning the performance of national development strategies? Does our economic development mindset give adequate consideration to social equity? Are we confident that the economic growth drive does not define social development charitably, at best as a commendable aftermath?

In an effort to provide elements of an answer to the above questions, ESCWA sought to reposition the concepts of social equity and equal opportunity into a public policymaking perspective. Building on our work of documenting best practices in international social policy, we took a step further, advocating a definition of 'social policy' that goes beyond the provision of basic social services, such as health and education, or meeting the basic social needs.

This approach proved timely and relevant, as equitable social development does not appear to be keeping pace with the economic drive and achievements in many countries of the ESCWA region[1]. Despite achievements in the fields of education and health, more efforts are needed to obtain structural and sustainable social dividends for all, and reduce the gaps between social groups. While there is evidence of the erosion of large segments of the middle class, many vulnerable groups have slipped below the poverty line, which has compromised efforts to meet the needs of the expanding numbers of the poor.

The novelty of this report is ESCWA's dynamic and interactive three-tier framework where (i) a social policy vision integrates social equity concerns in every economic or public policy, (ii) coordinated implementation is the result of an optimization of the design, management and delivery of equal, quality social services for all, and (iii) a shared consensus engages social partners and constituents in continuous policy dialogue and social priority negotiations, bargaining and reordering. That is

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[1] The ESCWA region comprises the following countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, United Arab Emirates and Yemen.

ESCWA's definition of the primary terms of a social contract and its attempt to provide concrete entry points into institutionalizing an integrated social policy approach in the region. Of course, this scenario is not, and cannot be, politically, economically, socially, environmentally, or otherwise tension free. The report argues, however, that the integrated social policy approach is the shortest route to managing the public domain in the interests of all, and avoids a social policy vacuum that may be abused by particular groups at the expense of society as a whole. Ultimately, this approach helps to foster social peace, characterized by more evident social development dividends and a clear upholding of basic human rights for all.

As the title of this report suggests, the challenge remains in translating the concept into practice. There are serious limitations therein, resulting from the scarcity of social policy experiences that have been recorded in the region. We opted to propose a few concrete alternative and intermediary strategies to equip Governments in the region with some necessary tools and instruments for supporting an integrated social policy approach. This effort is only one step forward on the long path to placing social equity and equal opportunity at the heart of human development.

This issue of the Social Policy Report is the synthesis of the combined efforts and hard work of a number of experts from within and outside the region. I trust that the report proves valuable in furthering our common understanding of the challenges and opportunities ahead.

Bader Al-Dafa
Executive Secretary

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EXECUTIVE SUMMARY

In much of the Arab region, economic development is not guaranteeing social benefits. Poverty and unemployment continue to plague most countries—basic social services, including health and education, are inequitable, inadequate or absent. According to the 2005 ESCWA report on Arab progress in meeting the Millennium Development Goals (MDGs)[2], the region as a whole will probably not eradicate poverty or hunger. Moreover, governments' expectations that integration in the global economy would reap increased economic growth and prosperity, better standards of living, reduced social tensions and overall political and economic stability, for the most part, are not met.

Representing the second phase of the Integrated Social Policies Project launched by the Economic and Social Commission of Western Asia (ESCWA) in 2002, Integrated Social Policy Report II: From Concept to Practice establishes ESCWA's role in predicating social policymaking as an entry point to address the region's diverse developmental needs and goals. Providing examples of, and guidelines and suggestions for, integrated social policymaking, the report highlights how the goal of equity can drive the agenda for social change and economic development.

Throughout this report, social policy is shown to embody the totality of interventions designed to change social welfare, social relations and social institutions by expanding choices and opportunities for people throughout the development process. It simultaneously addresses all aspects of social production, reproduction, protection and redistribution, as well as issues of equity, inclusion and rights[3].

From Concept to Practice demonstrates that integrated social policy:
(a) Builds societies for all citizens;
(b) Attends to the needs of the poor and vulnerable, ensuring that people have access to social services that promote their health and well-being and so enhance their ability to contribute to society;
(c) Ensures that people have equal access to opportunities and participation in society and the economy;
(d) Empowers the necessary regulations and institutional mechanisms to remove any barriers to inclusion and participation.

The report seeks to address several key questions—What is social policy? Why is it critical to formulate social policy? How is social policy designed and carried out?—and proposes practical applications of integrated social policy. Using the lessons learned and best practices achieved both internationally and thus far through ESCWA's Integrated Social Policy project, From Concept to Practice is designed to clarify and demonstrate the conceptualization and application of integrated social policy.

Chapters 1 provides overview of social policy, offering both international and regional lessons learnt and best practices. Common misconceptions regarding social policy—including the beliefs that there is an inevitable trade-off between economic growth and social welfare, that "social" policy is synonymous with social services (health, welfare, etc.) and that social policy is synonymous with poverty-reduction—are corrected, with examples from both the Asian and ESCWA regions.

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[2] Economic and Social Commission for Western Asia (ESCWA), *The Millennium Development Goals in the Arab Region 2005, p. 2.*

[3] United Nations Research Institute for Social Development (UNRISD), *Financing Social Policy*.

Government action or inaction regarding the three R's of Social Rights, Social Regulation and Social Redistribution are also discussed, with Social Respect, Social Responsibility, and Social Representation proposed to guide governments' application of the three R's. Chapter 1 both concretely and allegorically demonstrates how integrated social policy:

(a) Investigates the social consequences of economic policies throughout the process of economic policy formulation;

(b) Informs public policy at every stage with social equity and human rights concerns;

(c) Brings people into the centre of policymaking and mainstreams their needs and voices across sectors and into the development process;

(d) Demonstrates that sustainable economic development can only be enhanced by the empowerment of all citizens, including the marginalized;

(e) Reaffirms the key regulatory role of the state and its capacity to translate theoretical and ideological values into concrete and measurable policy frameworks and approaches;

(f) Proves that integrated social polices are more effective than traditional approaches to eradicating poverty and achieving the MDGs.

Chapter 2 defines ESCWA's three-tiered framework for social policy including vision, shared consensus and coordinated implementation, proving that the foundations of a strong social policy require each component of this framework in equal measure. It is argued that social policies in the region and elsewhere, when applied, all too often lack one or more of these pillars, crippling their impact. The balanced application of this three-tiered framework, however, can establish and bind together the mutually reinforcing role between people and the state in a complementary process of economic and social development.

Clear policy vision and leadership: Vision entails both a **conviction** in social equity, and the **political will** to implement integrated social policy. Strong leadership, a robust regulatory public office, transparent governance at the central and sub-national level, and institutional and accountable checks and balances are all needed to ensure a fair social dividend for all.

A shared and negotiated consensus: A shared consensus requires institutional space and mechanisms to enable the dialogue and checks and balances vital to ensuring **citizens' participation in equitable development**. It is the space that citizens, communities and their governing bodies occupy when actively forging a common understanding of human development for all.

Coordinated social action and implementation: Effective, responsive **service provision employs a comprehensive approach** to how people are involved with, receive and benefit from social services. Embracing an overall vision of development that focuses on enhancing productivity, social well-being and long-term social cohesion, social policy service provision addresses social problems within the greater context of economic development planning.

Chapter 3 provides starting points for designing and implementing the processes, mechanisms and tools needed for social policy. Specific policy formulation entry points are proposed and explored, with Egypt's National Conference on Integrated Social Policy and Social Contract Center serving as a regional example. Enhanced citizen participation, through Economic and Social Councils and Social Observatories, is strongly advocated; Tunisia's long-standing Economic and Social Council (CES) is analysed and discussed. Finally, the application of social policy through National Development Strategies is proposed and explicated, through illustrations of sectoral social policy in the areas of employment and labour, education, health and social protection, identifying the relative goals, rationales and instruments.

Chapter 4 concludes this report with ESCWA's next steps to further entrench integrated social policymaking across the region.

Integrated Social Policy Report II: From Concept to Practice forms part of the second phase of the Integrated Social Policies Project launched by ESCWA in 2002. By elaborating the concept of social policy, examining its contributions and indicating how social policy is created and implemented, this report is intended as a practical guide to policymakers and other stakeholders in the ESCWA region.

INTRODUCTION

The Arab region is dynamic and diverse, witness to vast change and movement, at times in simultaneously opposing directions. Countries vary in their natural and human resources, economic and development priorities and challenges. The region holds vast potential, with a young and vibrant population, strong Gulf economies, increased literacy and decreased infant mortality. Nevertheless, a deep malaise pervades the Arab region across all levels of society; human development and economic prosperity is neither evenly distributed nor sufficient. Governments' expectations that integration in the global economy would reap increased economic growth and prosperity, better standards of living, reduced social tensions and overall political and economic stability, for the most part, are not met.

Instead, in much of the Arab region, economic development is not guaranteeing social benefits. Poverty and unemployment continue to plague most countries; basic social services including health and education are lacking, unevenly distributed or inadequate. Huge disparities in social indicators (maternal health, poverty levels, rural-urban divide) continue to grow[4]. According to the 2005 report of the Economic and Social Commission for Western Asia (ESCWA) on Arab progress in meeting the Millennium Development Goals (MDGs)[5]:

"It is unlikely that the Arab region as a whole will succeed in eradicating poverty and hunger, particularly in the Least Developed Countries (LDCs)… In 2002 almost 20 per cent of children of primary school age were not enrolled... Gains in education have not translated into economic and political empowerment for the women of the region, whose economic and political participation rates are among the lowest in the world."

Even in countries enjoying economic prosperity and high standards of living, governments are concerned by simmering social and economic tensions and the potential growth of extremist ideologies. Many countries' citizens are voting with their feet, as the best and the brightest flee for better opportunities abroad. In a globalized economy, governments face a diminished capacity as the legitimate and responsible duty-bearer. Where the state no longer commands and exercises a regulatory role over social service delivery, multiple and competing loyalties challenge consensus building and tug at the social fabric. Increasingly, citizens' understanding of their rights and obligations is manifested in narrow parochial (sectarian or social) terms. Arab governments appreciate that it may be only a matter of time before simmering tensions overflow to undermine whatever gains profit-driven growth models would have achieved.

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[4] ESCWA, *Report: Workshop on Social Indicators with Emphasis on Millennium Development Goals and Indicators*, Beirut 20 June 2003, E/ESCWA/SDD/2003/17, 19 September 2003.

[5] ESCWA, *The Millennium Development Goals in the Arab Region 2005*, p. 2.

These concerns are well articulated in the Arab Human Development Reports[6]. The 2002 Arab Human Development Report underscored persisting problem areas, including: high illiteracy rates, deterioration of education; slow-down of scientific research and technological development; poor productive bases and competitive capacity; rampant poverty; and rising unemployment rates. The Arab Human Development Reports also proffered solutions, including:

(a) Full respect for human rights and human freedoms as the cornerstones of good governance, leading to human development;

(b) The complete empowerment of Arab women, taking advantage of all opportunities to build their capabilities and to enable them to exercise those capabilities to the full;

(c) The consolidation of knowledge acquisition and its effective utilization.

ESCWA's approach to implement the suggestions made by the Arab Human Development Reports and ensure continued economic growth is through the adoption and institutionalization of an integrated social policy.

An integrated social policy:

(a) Investigates the social consequences of economic policies throughout the process of economic policy formulation;

(b) Informs public policy at every stage with social equity and human rights concerns;

(c) Brings people into the centre of policymaking and mainstreams their needs and voices across sectors and into the development process;

(d) Demonstrates that sustainable economic development can only be enhanced by the empowerment of all citizens, including the marginalized;

(e) Reaffirms the key regulatory role of the state and its capacity to translate theoretical and ideological values into concrete and measurable policy frameworks and approaches;

(f) Proves that integrated social polices are more effective than traditional approaches to eradicating poverty and achieving the MDGs.

Given the complex challenges facing governments of the ESCWA region, this report proposes predicating social policymaking as an entry point to address diverse developmental needs and goals. The report provides examples of, and guidelines and suggestions for, integrated social policymaking, highlighting how the goal of equity can drive the agenda for social change and development.

The report seeks to address several key questions—What is social policy? Why is it critical to formulate social policy? How is social policy designed and carried out?—and proposes practical applications of integrated social policy.

A. BACKGROUND

The rationale for the Integrated Social Policy Project, launched by ESCWA in 2002, emerged from the World Summit for Social Development (WSSD) held in Copenhagen in 1995, and the subsequent United Nations Millennium Summit of 2000 and the adoption of the MDGs. The WSSD clearly highlighted the need for an integrated approach to social policy to tackle the complex and overlapping challenges to development in an increasingly globalized environment. In turn, the MDGs focused on specific indicators and targets for change, such as reducing poverty and tackling unemployment.

ESCWA's Integrated Social Policy Project seeks to bring people into the centre stage of policymaking and include their needs and voices into the development process. An integrated social policy is one in which "social" issues are not viewed as residual or secondary to economic processes, but where public policy is informed at every stage by social equity and human

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[6] Arab Human Development Report 2002, *Creating Opportunities for Future Generations* (United Nations Development Programme and Arab Fund for Economic and Social Development (AFESD), 2002); Arab Human Development Report 2003. *Building a Knowledge Society* (UNDP and AFESD, 2003); and, Arab Human Development Report 2005, *Towards the Rise of Women in the Arab World* (UNDP and AFESD, 2005).

rights concerns. An integrated social policy is an inseparable part of economic policy formulation. For example, instead of offering women more employment opportunities as a way of improving their economic and social positions, an integrated approach asks, what is the impact of hiring mainly women in low paid, dead-end jobs in the proliferating industrial zones in some parts of the region? What does this trend tell us about gender relations and other social norms? What remedies are needed (legal, economic, etc) to address all these issues separately and together?

While many of the best known examples of countries with successful social policies are located in the West, such as Norway, Ireland and Canada, it is important to note that countries like South Korea, Malaysia and Tunisia also have long, successful histories of social policy (see box 1 for Malaysia). This report, although designed for the ESCWA region, will draw on lessons learned and best practices from around the globe.

B. METHODOLOGY AND APPROACH

Using the lessons learned and best practices achieved both internationally and thus far through ESCWA's Integrated Social Policy project, this report is designed to clarify and demonstrate the conceptualization and application of integrated social policy. The report is grounded in ESCWA's unique framework of three essential interrelated pillars for social policy:

(a) Vision – a political will backed by a strong leadership committed to a holistic and integrated approach to social equity;

(b) Shared consensus – the institutional space and mechanisms to permit dialogue among social partners, institutional checks and balances, and citizen and civil society participation in development;

(c) Service provision – a comprehensive approach to how people are concerned with, receive and benefit from social services within an overall vision of

Box 1. MALAYSIA: SOCIAL POLICY SUCCESS

Malaysia began charting its new development course several decades ago. Initially the government, along with the public sector, took the lead in providing funds and creating the necessary institutional structures; later on the private sector and selected non-governmental organizations (NGOs) joined in. By 1970, a consensus had taken hold:

"The new development philosophy incorporated the concept of growth with equitable distribution. It was predicated upon the firm belief that economic growth was insufficient to either inspire national development or to be considered as an end in itself, particularly in the context of contemporary ethnic configurations of economic occupation and wealth ownership. The ultimate goal of this philosophy was national unity. It was felt that without harmony, economic growth, higher incomes and improved standards of living would be more costly to achieve and less meaningful."

This firm rooting of social policy in economic development greatly strengthened the Malaysian Government, enabling it to weather the economic crisis of the 1990s.

ESCWA, Social Policies in Malaysia, E/ESCWA/SDD/2003/1, 6 February 2003, p. 4.

development that focuses on enhancing productivity and growth, social well-being and long term social stability and cohesion.

In particular, this report strives to:
(a) Define and refine the concept of integrated social policy: To offer a definitive answer as to what social policy comprises and what its functions are, and to dispel misconceptions surrounding social policy. It examines the potential impact of social policy and demonstrates that integrated social policy is indispensable to building equitable, stable and sustainable societies in the face of challenges confronting the Arab world;
(b) Illustrate successful precedents: To demonstrate how social policy is designed and implemented, and to provide concrete examples—regional and international—of successful integrated social policies;
(c) Develop mechanisms and tools for integrated social

policymaking: Applying ESCWA's three essential tiers of integrated social policy (vision, shared consensus, and service implementation) to suggest ways of operationalizing components of an integrated approach in the ESCWA region.

This report marks the operative phase of the ESCWA Integrated Social Policy Project. It is based on the deliberations and recommendations emerging from the Peer Review Meeting on 22 June 2007 in Beirut, Lebanon, that focused on the importance of operationalizing processes, mechanisms and tools of a socially responsive public policy. It is further based on deliberations and practical recommendations emerging from the Expert Group Meeting held in Amman on 17 January 2008, that focused on making the report useful and accessible to policymakers. The final report will be submitted to member countries and used as an advocacy tool following a regional forum on social policy.

INTEGRATED SOCIAL POLICY:
WHAT AND WHY

I.

I.
INTEGRATED SOCIAL POLICY: WHAT AND WHY

Social policy embodies the totality of interventions designed to change social welfare, social relations and social institutions by expanding choices and opportunities for people throughout the development process. It simultaneously addresses all aspects of social production, reproduction, protection and redistribution, as well as issues of equity, inclusion and rights.[7] Social policy integrates and connects the economic and social dimensions of development into a coherent whole.

Common misconceptions regarding social policy include:

1. A belief that there is an inevitable trade-off between economic growth and social welfare.
2. An understanding that social policy is synonymous with social services (health, welfare, etc.) and is best left for implementation by Ministries of Social Affairs, Health and Education.
3. The idea that social policy is synonymous with poverty-reduction.

The following section briefly reviews traditional approaches to social policy and explores their underlying assumptions, in particular those of "growth-first" approaches to economic development and social change. The limitations of economic development predicated on a "growth-first" model are explored, as witnessed in Asia and the ESCWA region. The next section then explores the

significance of placing equity at the centre of integrated social policy to promote human development.[8]

A. PROBLEMS OF A GROWTH-FIRST MINDSET

Despite accumulating evidence from various parts of the world demonstrating the pitfalls of an exclusive reliance on a "growth-first" approach to solving social problems, Arab countries, and many others, still rely exclusively on economic development as the main engine of change, and from whence social benefits are expected. Conditioned by decades of consultations with classical economists, accustomed to the requisites of Structural Adjustment Policies from the World Bank and the International Monetary Fund (IMF), and confronted with the challenges of competing in the global economy, Arab governments are often wary of approaches that appear to dilute their economic edge.

In the "growth-first" approach, social dimensions are relegated to a secondary role, or treated as a residual outcome of economic production. As such, social tags are merely appended to economic policy as a presumed outcome, or social packages (safety nets, targeted social services to be delivered by sector-specific ministries) are designed in isolation of the state's economic and development process. The fundamental assumptions of neo-liberal economic policymaking

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[7] United Nations Research Institute for Social Development (UNRISD), *Financing Social Policy*.

[8] For more information, see, ESCWA, *Towards Integrated Social Policies in Arab Countries: Framework and Comparative Analysis*, E/ESCWA/SDD/2005/4, 10 November 2005.

thus remain unchallenged, and, more importantly, social programmes and policies remain shackled to the expected economic benefits from the "growth-first" approach. Negative experiences from across the world prove that this approach has not delivered socially stable societies, nor has it delivered the equitable, gender sensitive and environmentally friendly dividends of development.

1. Indonesia and Thailand

Like the Arab world, some of the "Asian tigers" (most notably, Indonesia and Thailand) focused on an economic growth-first policy, only to discover that accelerated economic growth deepened social disparities, increased marginalization and benefited a select few. As their economies grew, their social welfare policies focused mainly on generating employment without anticipating the needs for protection of the huge number of the newly unemployed and under-employed. Indonesia and Thailand witnessed vast industrial growth, but not the production of quality jobs. As the gross national product (GNP) of these countries grew, the quality of life worsened for those working sub-standard jobs with long hours, extremely limited pay and without social protection. Insufficient attention was paid to education and health services, and few quality employment alternatives were created. Large swaths of the population became dependant on their meager incomes to meet all their daily needs. The economic crisis of the 1990s resulted in the mass unemployment of those with the fewest resources to fall back on.

The East Asian crisis brought out the negative aspects of this model. First, crisis has demonstrated that the model's viability depended on high growth and that, in times of crisis, the system could not provide the social safety net that welfare systems are supposed to. The regressive nature of its redistributive measures has highlighted the inequalities in the model. Reliance on the non-state sector meant that women bore most of the burden, and this reinforced male dominance and female dependency.

Built upon successful integration into global markets, the model was vulnerable to external conjuncture. Finally, it is important to note that the model thrived in essentially authoritarian contexts and would thus be unlikely to survive the wave of democratization that is likely to push for more progressive welfare policies. [9]

As a result, these countries were forced to reassess their priorities, instituting social development planning as part of the economic growth process.

2. The ESCWA region

Achieving peace and social stability alongside economic prosperity in the ESCWA region remain fundamental, and mostly unmet, goals. The widening gap between "winners" and "losers" in much of the region has exacerbated social tensions, increased mistrust in governments and provided fertile ground for social and political disruption and extremism. In some countries, entry into the World Trade Organization (WTO) or other international trade agreements were expected to mitigate poverty conditions; the social consequences, however, were often the opposite.

For example, instead of reaping the expected economic rewards of employing local women in its Free Trade Zones, Jordan discovered that these types of industries imported foreign labour. (See box 2 below for an example of widening social disparities in Jordan.) Moreover, instead of benefiting local communities, the products were exported abroad and their profits not taxed. In the end, little income was generated for Jordan. In addition, the short and long-term environmental impact of these enterprises have lasting implications on the health and well-being of local communities and the environmental viability of these locales, all of which highlight missed opportunities for equitable economic and social development under these types of free trade arrangements.

All countries in the ESCWA region are preoccupied with the challenge of competing in the global economy and

[9] Thandika Mkandawire, *Social Policy in a Development Context*, UNRISD, Social Policy and Development Programme Paper Number 7, June 2001, p. 17.

Box 2. Jordan's widening economic gap

A recent Household Income and Expenditure Survey in Jordan reveals growing disenchantment with the current course of economic development and concern about the widening economic gaps between rich and poor in the country. Between 2002 and 2006, families report increased vulnerability in making ends meet.

Survey results highlight the following:

(a) There was a significant rise between 2002 and 2004 in the share of income going to the rich while there was no change in the share of the income going to the poor;

(b) Income levels rose by 11.3 per cent between 2002 and 2006, while the cost of living rose 19.7 per cent;

(c) 30.2 per cent of the total income went to the wealthiest 10% of Jordanian households, while only 24.4 per cent went to the poorest 50 per cent of Jordanian households.

(d) Food consumption by Jordanian families dropped 14 per cent between 2002 and 2006

Source: Salameh Al-Darawi, "Results of a Survey of Household Income and Resources, 2006", Ittijahat, November 2007 (Arabic).

have responded largely by concentrating on developing the productive capacity of their country to promote and ensure economic growth. Egypt, for example, when trying to apply the Structural Adjustment Policies urged on it by the IMF and World Bank, experienced the dislocation of traditional economies, and continues to face a worrisome rise in the numbers of unemployed and people living in poverty as a result.

The oil-rich counties of the Gulf, however, have applied variations of a growth-first economic approach, with varying results. The United Arab Emirates used its vast oil resources to build its economies, with Dubai now a hub for business enterprises and free trade. Its trajectory of successful economic growth has brought prosperity to its people, but everyone does not benefit equally. There is a heavy reliance on low paid foreign migrant labourers (construction workers, domestic help, etc), who exist on the fringes of society, without adequate social protection and care. The government is aware that ensuring productive capacity requires investment in reproductive

and social well-being, promoting human development to keep the engine of economic change running. Training the Gulf's youth to compete in the modern world, and ensuring that individuals and families in all walks of life are given access and opportunity, are emerging priorities. However, the needs and rights of foreign labourers in Gulf countries must also be integrated into social planning and developmental initiatives if those countries are to ensure not only robust economies, but also equally healthy societies and comprehensive social equity.

B. THE CONTRIBUTION OF A SOCIAL POLICY APPROACH

Recently, traditional economists addressed the failures of a singular emphasis on economic growth and argued that there can, and should, be economic growth with equity. In other words, there is no "trade-off" or either/or choice between economic growth and social development. Even institutions such as the World Bank and the IMF have come on board, and are increasingly

attuned to the need for a complete development framework rooted in "social policy". [10]

Social policy is a consistent, engaging and ethical approach that systematically and institutionally checks the social equity and equal opportunity implications of every public policy making—be it economic, fiscal, environmental, gender-based, or otherwise—and seeks to curb and control its possible adverse effect on particular groups or constituencies from the outset. It engages with economic growth imperatives in a manner designed to help individuals and communities shape and manage their lives through an equity-based and a redistributive public policymaking.

Social policy:

- Builds societies for all citizens;
- Attends to the needs of the poor and vulnerable, ensuring that people have access to social services that promote their health and well-being and thereby enhance their ability to contribute to society;
- Ensures that people have equal access to opportunities and participation in society and the economy;
- Empowers the necessary regulations and institutional mechanisms to remove any barriers to inclusion and participation.

Social policy enhances economic growth by addressing those social structures and conditions that may prevent people from access, participation and full inclusion as citizens and human beings.

Social policy can be consistent with a commitment to human rights, universal rights that belong to all human beings. This includes the right to development, whereby human development and human equity are themselves inalienable human rights, which all humans are entitled to participate in, contribute to, and enjoy the fruits of economic, social, cultural, and political development. Compared to the language of poverty reduction and raising incomes (such as achieving minimum wages), a social policy emphasizes the language of equity and human rights within the elements of a "minimum decent living".

Box 3. Growth with equity

Extreme inequality is not just bad for poverty reduction—it is also bad for growth. Long-run efficiency and greater equity can be complementary. Poor people remain poor partly because they cannot borrow against future earnings to invest in production, the education of their children and assets to reduce their vulnerability. Insecure land rights and limited access to justice can create further barriers to investment and pro-poor growth.

Source: Kevin Watkins, "Inequality and Human Development", in Poverty in Focus, The Challenge of Inequality, International Poverty Center, June 2007, p. 13.

Social policy in action

The example of South Korea can be instructive. Following the Asian Financial crisis of the 1990s that struck all the Asian tigers, South Korea responded to the negative fall-out from structural adjustment processes, economic crises and an increasing skewed export-oriented economy by enlarging its welfare state and expanding the right of citizens to social services. Its revamped social policy combined economic growth with "active social policy initiatives that aimed to provide

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[10] For example, "The IMF's growing emphasis on social policy issues has emerged from an explicit recognition that more importance must be attached to equity and the full development of human resources if reform programs are to be viable in the long run."; from a 1998 IMF document quoted in, Thandika Mkandawire, *Social Policy in a Development Context*, UNRISD, Social Policy and Development Programme Paper No. 7, June 2001, p. 5.

social protection to the unemployed or those who had become poor during the economic restructuring process" (see box 4 below). [11]

Box 4. Social policy in the Republic of Korea

Three initiatives adopted by the Republic of Korea in the aftermath of the economic crisis of the 1990s demonstrate effective social policy that simultaneously links economic growth with increased social inclusiveness: the Minimum Living Standard Guarantee which replaced the Public Assistance Programme; the National Pension Programme, which was enhanced in terms of financial sustainability and accountability, and expanded, in theory, to cover the entire population; and the National Health Insurance, which was reformed in terms of its management structure. *These reforms provide a clear contrast to previous social policy that conformed to the developmental welfare model, which places an overwhelming emphasis on financial sustainability of social policies and their ineffectual implementation.*

Source: ESCWA, Transforming the Developmental Welfare State in the Republic of Korea, E/ESCWA/SDD/2003/9, 6 May 2003, p. 2 (emphasis added).

Though challenges remained, these initiatives proved effective in assisting the government of South Korea pursue the goal of "social inclusiveness" in its development efforts. This focus on expanding social rights and opportunities—as well as social protection—in the face of economic crisis underscores South Korea's historic understanding of the benefits of a social policy tied to economic development goals.

C. ANALOGY OF A 100-METRE RACE

Integrated social policy is about fairness. It is about creating the right conditions—such as equal opportunities and equal responsibilities—to ensure social justice. It's about creating regulatory mechanisms to guarantee equity is perpetuated. Integrated social policy ensures fair play.
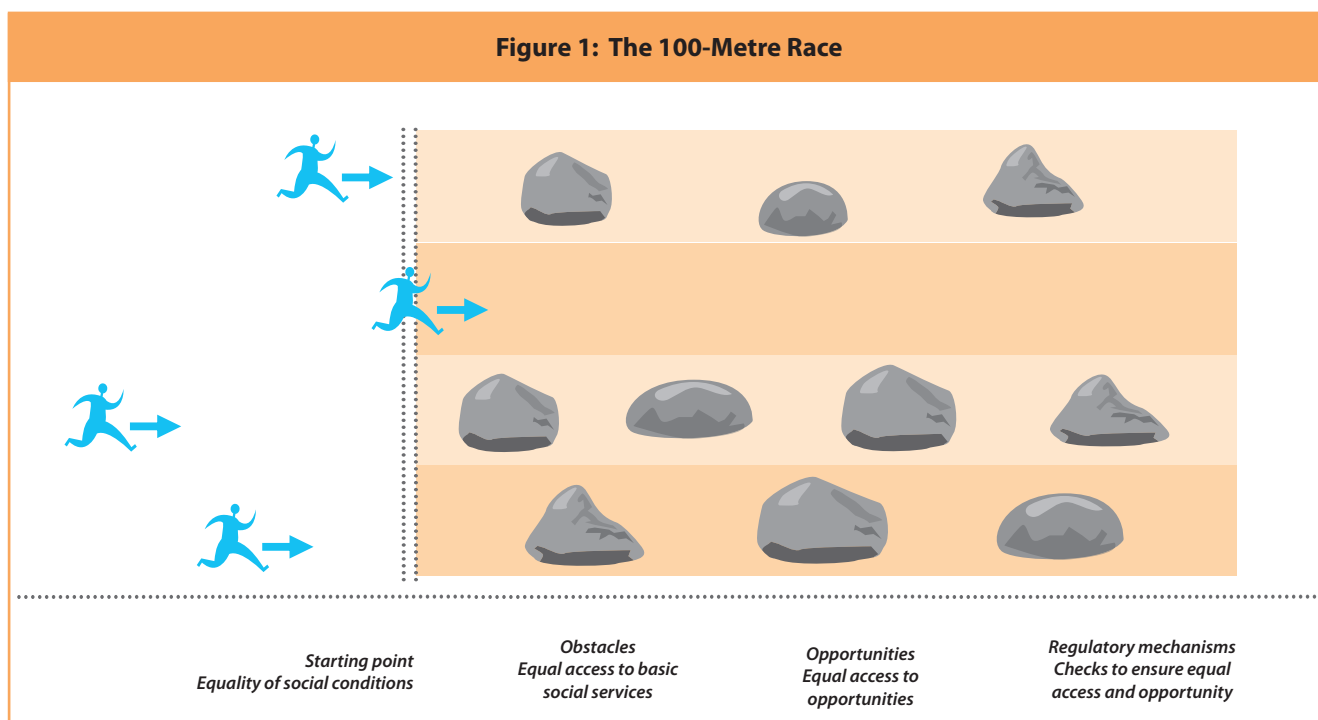
Consider, for example, a 100-metre race. In a fair race, all contestants line up at the starting line (see figure 1). During their sprint, they encounter identical obstacles, and have equal access to support and opportunities. In short, their success depends solely upon their ability and dedication.

When applied to real life, unfortunately, this fair race rarely exists. All societies are burdened by disparity: the poor, disadvantaged and disenfranchised all too often are forced to start their race far back from the starting line, face a disproportionately high number of obstacles and can rarely access opportunities to improve their quality of life. In countries with high socio-economic disparities, moreover, the inequity is deepened such that a privileged few, due to wealth and access to decision-makers, start their race considerably ahead of the starting line, face few if any obstacles and can access more than their fair share of opportunities.

Well-designed and implemented social policy provides a corrective mechanism to these inequities, ensuring that everyone is provided equal access to equal opportunities. Social policy also ensures that regulatory mechanisms and checks are in place to address failures and abuse. In essence, integrated social policy creates a level playing field.

Government action or inaction regarding Social *Rights,* Social *Regulation* and Social *Redistribution* (the three R's) determine the fairness, legitimacy and outcome of the race. Social *Respect*, Social *Responsibility*, and Social *Representation* can guide government's application of the three R's.

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[11] ESCWA, *Transforming the Developmental Welfare State in the Republic of Korea*, E/ESCWA/SDD/2003/9, 6 May 2003, p. 1. Raising questions about the future of social policy in South Korea, President-elect Lee Myung-bak has apparently pledged to bring a business approach to "reinvigorating" the economy; *The Boston Globe*, 24 February 2008.

Figure 1: The 100-Metre Race

Starting point
Equality of social conditions

Obstacles
Equal access to basic
social services

Opportunities
Equal access to
opportunities

Regulatory mechanisms
Checks to ensure equal
access and opportunity

1. Social Rights

Equality of condition: Where you start off in a race clearly affects the outcome. Has institutionalized sexism, for example, created unequal conditions for men and women such that women still start further back than men? Are the children of the rural poor still less healthy than their urban cohorts, and will the former thus spend their lives trying to catch up?

Equality of opportunity: How opportunities are applied to remedy past disparities or discrimination also affects the outcome. To use the same analogies, are women, for example, allowed to train equally with men? Are people from rural areas given the extra resources they may need to catch up with their urban counterparts? Equally importantly, can these opportunities be accessed? Figure 1 shows some lanes littered with hurdles and stumbling blocks while other lanes are partially or entirely clear.

Translated into social policy, the above two circumstances point to the responsibility of governments to establish the regulatory mechanisms to respect and protect the rights of all citizens without discrimination.

2. Social Regulation

The outcomes of a race are also determined by how the authority in question exercises its responsibilities for regulating the race. This governing body is responsible for: (a) creating and monitoring conditions throughout the race to ensure maximum fairness and transparency; (b) establishing and applying consensus-based standards for all the rules governing the race to ensure acceptance and compliance by all competitors, and (c) devising and applying the necessary mechanisms to check and bring to task every abuse or exploitation. Where is everyone starting from? Do people in rural areas have access to the same quality of education and health services? Why do some people face fewer obstacles than others?

Translated in terms of social policy, this social *regulatory* role underscores the principle of the *responsibility* of the government as the *representative* body to create and ensure a fair and transparent process—one that is accepted and trusted by the people, and to which they can hold the government accountable.

3. Social Redistribution

Ultimately, to ensure the fairness and outcome of the race, a new distribution or redistribution of resources will be needed. For the still marginalized members of society, alternative arrangements can be implemented. In creating a fair race, it may be necessary to allocate special budgets to offer women and girls opportunities to train and compete. Residents of rural areas may require special investments in primary health care, environmentally friendly enterprises, infrastructure or other basic services.

Translated into social policy, redressing conditions of the socially marginalized and excluded populations (whose problems are often the very product of Structural Adjustment Policies and economic growth processes) may require rethinking, retooling and redistributing economic wealth and benefits and narrowing the gaps caused by undue emphasis on economic "growth-first" policy in the first place. This approach requires thinking beyond "poverty-alleviation" to address the structural conditions (and opportunities) underpinning social inequity in a particular society.

Social redistribution for persons with disabilities

Social services for a person with a disability might consist of creating a special home to facilitate his or her movement. However, an active social policy to address disability would pass laws and institute services and licensing to enable persons with disabilities to move about freely and to lead autonomous, dignified and rewarding lives. These measures could include easily accessible public transport for the disabled, barrier-free town planning, vocational training, housing, information services, and job integration, etc.

Key messages:

- Instead of a "trade-off", social policy harmonizes economic growth and prosperity with social welfare to enhance human development.

- An integrated social policy reflects a comprehensive approach that links economic production to equity and equal opportunity, and hence to social protection.

- Poverty is not merely a residual outcome of economic development, but is the result of policy and structural denial of human rights and equitable human development.

- An integrated social policy approach reflects and supports a strong state committed to ensuring the appropriate checks and balances for measuring progress in incorporating equity in development planning and delivery.

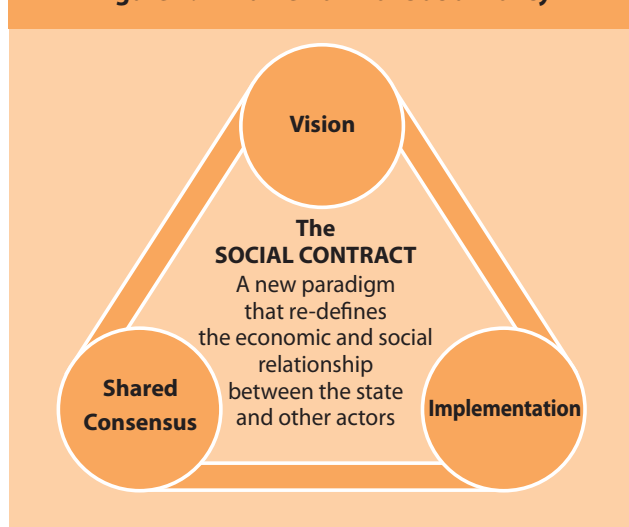# A THREE-TIERED FRAMEWORK FOR SOCIAL POLICY

II.

II.
A THREE-TIERED FRAMEWORK FOR SOCIAL POLICY

Through its Integrated Social Policy project, ESCWA developed a unique application of social policy predicated upon three essential interrelated pillars: vision, shared consensus and service provision. Each pillar in this framework simultaneously supports the other two, and the implementation of a strong social policy requires each component of this framework in equal measure. Through its research and analysis of national policies, ESCWA has determined that social policies in the region and elsewhere, when applied, all too often lack one or more of these pillars, crippling their impact. The balanced application of this three-pronged framework, however, establishes and binds together the mutually reinforcing role between people and the state in a complementary process of economic and social development.

Figure 2: A Framework for Social Policy

Vision

The
SOCIAL CONTRACT
A new paradigm
that re-defines
the economic and social
relationship
between the state
and other actors

Shared
Consensus

Implementation

Box 5. ESCWA's social policy framework

Clear policy vision and leadership: Vision entails both a conviction in social equity, and the political will to implement integrated social policy. Strong leadership, a robust regulatory public office, transparent governance at the central and sub-national level, and institutional and accountable checks and balances are all needed to ensure a fair social dividend for all.

A shared and negotiated consensus: A shared consensus requires institutional space and mechanisms to enable the dialogue and checks and balances vital to ensuring citizens' participation in equitable development. It is the space that citizens, communities and their governing bodies occupy when actively forging a common understanding of human development for all.

Coordinated social action and implementation: Effective, responsive service provision employs a comprehensive approach to how people are involved with, receive and benefit from social services. Embracing an overall vision of development that focuses on enhancing productivity, social well-being and long-term social cohesion, social policy service provision addresses social problems within the greater context of economic development planning.

A. VISION AND LEADERSHIP

A vision of an integrated social policy redefines public policymaking such that social equity and equal opportunity are understood as the most effective path to human development. Two core elements define the political leadership: a political vision needed to appreciate short and long term contributions of a socially responsible public policy, and the political will and commitment to see this policy through.

A vision of integrated social policy:
(a) Provides the necessary analysis to strike a balance between economic priorities (economic growth) and current and ultimate social costs and outcomes, (poverty, unemployment, achieving the MDGs, etc.);
(b) Institutionally and systematically checks actual or potential adverse effects of economic hegemony;
(c) Creates regulatory and institutional tools to curb excesses and boost social dividends, particularly for the most vulnerable groups;
(d) Invests the necessary financial resources to enhance social equity and opportunities in the development process;
(e) Devises system-based cushioning mechanisms integrated into the very processes of production (beyond investing in alternative or residual social protection programmes);
(f) Reaffirms responsible citizenship through redistribution, securing equal participation in economic and social processes, while also rallying the support of primary economic actors by demonstrating the benefits of equitable human development; and
(g) Shapes and determines the ultimate social directions of economic development processes.

1. Social policy actors

Identifying entry points for dialogue on social policy vision requires understanding the context of the main policy actors and political bodies to determine how policy is formulated. In the ESCWA region, pertinent questions include:

■ **Which government bodies lead the vision for social and economic development?**
In general, policymaking in the region is highly centralized, where the head of state articulates the general contours and vision for the country, and the prime ministers, cabinets and others in the executive branch fashion distinct policy directions. Parliaments and legislatures may pass the necessary laws and bills to realize the vision, and sector ministries may participate in different degrees in planning and implementation. Because of their responsibility in overseeing and ensuring economic stability and growth, Ministries of Finance commonly enjoy more influence relative to other sector ministries.

■ **Who collaborates in the design of strategic development plans (who contributes information, analyses etc.)?**
It is important to identify which bodies and agendas drive national strategic development plans, and which inputs and sources of data inform these plans. It is also important to determine the extent to which national and local government agencies are representative of the communities they serve, and how citizen groups and the public at large perceive the former. These factors may indicate entry points for enhancing buy-in by public bodies, civil society organizations, private and business sectors, and the general public. Representation is a vital component of service provision, as a government will be perceived as legitimate to the extent that it regulates (and redistributes) service provision in a manner that is perceived as fair, accessible and equitable.

In this regard, the policy and agenda setting role of Ministries of Social Affairs in the ESCWA region has been somewhat limited and confined to the delivery of social services to vulnerable and target groups. Ministries of Social Affairs may benefit from the lessons and experiences of similar ministries in Ireland, Canada, and Norway, for example, where the role of the Ministry in checking the social impact of public policy is of foremost importance. In these cases, the Ministries are active in checking government policy at every stage and putting forward alternative policy options that take into account impact on poor and vulnerable groups.

A lack of reliable and valid data stands in the way of designing effective social policy. In the ESCWA region, the dearth of data is caused by inconsistent indicators and measurements. Furthermore, data is often selective and politicized. Much of the information in the Arab world is currently designed to measure specific indicators, in particular regarding poverty. Very little information and data is gathered that would enable social policy analysis. A different set of indicators and could be used to determine which groups may be further marginalized through a given public policy, which groups will have difficulty catching up in the labour market, and who is being excluded from the mainstream.

Collecting reliable and valid data for social policy also requires the capacity to disaggregate as needed, namely, by gender, age, rural/urban, and so on. The capacity of both public and non-governmental organizations (NGOs) in the ESCWA region to provide disaggregated analysis, as well as budget assessments and the monitoring and evaluation of outcomes, is uneven.

B. SHARED CONSENSUS

A social policy framework can function, sustain itself and deliver social development dividends for citizens only to the extent that a consensus is constantly negotiated, argued and eventually shared by the different constituencies and interest groups. Countries in the ESCWA region should be more responsive to the vital importance of a shared belief in citizen responsibility and social solidarity, given their role in deterring extremist ideologies and preventing civil strife. Instead, preserving a strong state in the face of various internal and external challenges has become a preoccupation of many governments in the ESCWA region.

Governments in the ESCWA region face the challenge of striking an appropriate balance between preserving highly centralized decision-making and inviting citizen participation, all the while trying to ensure economic growth, prosperity and social stability in an ever-changing national and regional environment.

Governments may perceive that in the interest of security and stability they are compelled to take decisions without ensuring wide participation of constituencies, individual and public initiatives, and maintain a highly centralized and bureaucratic system of control. While governments may succeed in the short term, the social impacts of current economic growth processes (more poverty, higher unemployment, etc.) are growing and social tensions continue to build. In Lebanon, for example, the combination of parochial social identifications and growing economic grievances has created fertile ground for instability, insecurity and hindered prospects for development.

Moreover, the benefits of social policy, when developed and delivered in partnership with its constituents, are manifold: people who experience an improvement in their lives and prospects are more likely to have confidence in the state, and are more likely to accept the legitimacy of measures undertaken to remove barriers to access and opportunities (redistributive justice). A sense of inclusion leads to more opportunities for more people to participate in viable economic development—and economic growth and prosperity in turn fosters a more secure sense of social solidarity and citizenship. Social policy, when approached as an integral part of economic development planning, serves to strengthen, not weaken, the role of the state.

A shared consensus on social policy:
(a) Strengthens shared understandings of successful strategies given a society's national, regional and globalized constraints;
(b) Garners support from citizens and other constituencies for the current and future costs for the government, the state, the private sector and particular groups;
(c) Advocates mainstreaming social dividends against excessive socially costly profit-based approaches, while ensuring a necessary level of competitiveness, high productivity, effectiveness and efficiency;
(d) Provides opportunities for instituting effective mechanisms for oversight and monitoring of inputs and outcomes of policymaking at different levels.

Citizen and civil society participation

The partnership between public office holders and civil society constituencies is a critical element in achieving a shared consensus on social policy. The roles and responsibilities of each must be clearly defined. Instruments and mechanisms should be put in place to define the role of public office holders in shaping policy, monitoring the performance of policy and programme and creating the space for effective civil society participation. Likewise, civil society groups must be prepared and equipped to take part in a social policy dialogue and to monitor and check the impact of public policy and programmes.

In the ESCWA region, pertinent questions concerning citizen and civil society participation include:

■ **Who are the main civil society actors and what is their role?**

The ESCWA region boasts a wide range of civil society actors, including: national civil society organizations, non-government and semi-government organizations, charitable organizations, trade unions, professional associations, media outlets, etc. Civil society actors also include academic and research institutions, and international NGOs. Additionally, the private sector may include national and foreign enterprises, banks, foundations, investment companies, chambers of commerce, small business entities and a host of other institutions.

Mapping relevant civil society sectors and actors in any given society establishes who and what interests enjoy influence at any given point in time and indicates who and what interests may be marginalized or excluded. In much of the ESCWA region, civil society supplement public services that the governments fail to deliver.

It is also important to map the respective mandates and capacities of these civil society entities. This tool provides information on who is eligible to join organizations and whom the organizations represent; for example, professional and trade unions may be restricted to specific populations. Other pertinent information

includes how the leadership is constituted (whether elected or appointed); what services are provided and where different organizations are located geographically in a country; what kind of skills and capacities do they have, and how equipped are they to assume a partnership role with the government.

> **Citizen participation, civil society actors and impact**
>
> Do private business interests hold sway, and if so, how does this affect government approaches to, and financing of, services to citizens?
>
> Are women, the poor, refugees, the youth and elderly and other vulnerable groups invited or allowed input into decisions that affect their lives?

■ **What is the relationship between civil society and government?**

Civil society and citizen organizations may be subject to varying government regulations concerning their mandate and activities. Provisions concerning the fund-raising activities of charitable religious organizations, for example, will affect the scope of services provided and the populations served by these organizations. Citizen groups may enjoy varying degrees of access and influence with government agencies (as with corporate business interests) that in turn shapes the potential for enhancing citizen involvement throughout society.

Among civil society actors, the media plays a significant role as an agent of civil society by airing the voice of the public and disseminating information about government priorities. However, in the ESCWA region the media is all too often censored, either by its range and ownership—whether government or independently owned and operated—or by governmental laws. In the highly regulated context of many countries of the ESCWA region, other pertinent questions include whether alternative media exists (i.e. internet based) and its accessibility, as well as how journalists and broadcasters are selected and which sectors of society they represent.

It is also important to determine how the media may be encouraged to advocate equity based social policy.

Understanding the relationship between civil society and the government is critical for service provision, as it not only reveals who provides which services, but also provides information about patterns of access and influence. This information indicates entry points for redistributive mechanisms, enhanced access and participation by marginalized groups to enhance equity, access and opportunities for more equitable human development.

C. IMPLEMENTATION

One of the most frequently cited prerequisites to applied social policy is the existence of appropriate and effective institutional structures and mandates. Creating or reforming institutions may be prompted by government decision, may be encouraged by agencies of civil society, or may result from a combination of the two. In Malaysia, for example, the government initially took the lead in redefining development and creating institutional structures to support its social policy. In Canada, however, widespread social consensus around social policy buttressed government commitment to expanding social services as essential human rights to which citizens were entitled.

Implementation of integrated social policy:
(a) Removes different structural barriers that obstruct people with limited means;
(b) Enhance the capabilities of individuals and families for full participation, productivity and well-being (the "teach a man to fish" strategy);
(c) Empowers government sectors to help enable all citizens to participate fully in society and take full advantage of their potential to lead decent and dignified lives;
(d) Ensures a continuous interplay between the pursuit of economic prosperity, and the enhanced well-being of constituents positioned to participate in and benefit from development.
(e) Redefines access as a readjustment or a realignment of the entire system of social services;

Patterns of service implementation

Social service provisions designed to enhance social equity and development vary in their approach. Some services provide sufficient safety nets and welfare to vulnerable and high risk groups while also focusing on income generating activities and promoting investment opportunities for the poor (for example, small and medium enterprises).

Social policy services are not limited to poverty-reduction, but rather aim to provide social security and other measures to improve the conditions of the poor and high-risk groups. These can include education and training, especially for marginalized and excluded groups, and services that include attention to gender integration and reducing gender bias and discrimination.

In the ESCWA region, pertinent questions concerning service delivery include:

■ Who or which bodies are responsible for the implementation and delivery of social services, and what are their mandates and reach?
The overarching trend in the Arab region is the provision of services through the respective ministry, mainly the Ministries of Social Affairs, Education, Health, or Labour, etc. Government agencies coordinate the provision of services among their respective sectors at the national and local levels, and alongside a selection of civil society organizations and institutions in the private sector.

Ministries of Social Development are commonly enjoined with the task of implementing service provision within frameworks and budgets determined elsewhere (such as by the Ministries of Finance). In many parts of the ESCWA region, particularly in countries that face serious budget deficits, this situation often leaves Ministries of Social Affairs and similar service sector ministries in a reactive mode of providing welfare-type services to serve the most vulnerable and neediest victims of wider economic policies, rather than playing pro-active roles that anticipate and integrate attention to social consequences of economic processes into service provision from the outset.

■ **What are the budgetary allocations for programmes and services?**

Countries in the ESCWA region, particularly those facing economic fluctuations and high deficits and those highly dependent on foreign aid, are legitimately concerned with the cost of social policy. Budgetary allocations for programmes and services reveal current priorities of the state and its agencies, as well as those of other organizations in social service provision. Countries of the ESCWA region currently vary considerably in public expenditure, from a high of Saudi Arabia, at 30 per cent, to the Syrian Arab Republic's 12 per cent and Egypt's 10 per cent.[12] Countries constrained by budget considerations may be more likely to invest financial resources into meeting the needs of the vulnerable poor and other critical sectors (elementary education, basic maternal and child health services)—especially those that also coincide with targets in the MDGs.

There is a growing body of knowledge and expertise in the area of Results-Oriented Budgeting (ROB), and more specifically in the area of Gender Responsive Budgeting that aims to mainstream gender equity into the budget process, which can be consulted in designing finance of social policy.[13]

■ **What other considerations impact national budgeting?**

Between 1999 and 2003, foreign aid to countries in the ESCWA region increased from $5.33 billion dollars to $8.32 billion dollars, and several countries remain highly dependent on foreign aid. Egypt, Iraq and Jordan accounted for over half of the aid in 2003.[14] This dependence is reflected in the ways national development plans are currently drawn up. Governments that once designed five-year strategic plans are increasingly likely to develop short-term (three-year) projects and programmes. Some USAID-funded programmes implemented through the Jordanian Ministry of Planning and International Cooperation, for example, fall into this category. The tenuousness and unpredictability of foreign grants and support may leave governments and their respective ministries with a reduced ability or incentive to focus on long-term sustainability of projects and results, let alone develop long-term plans that connect programmes within a comprehensive and integrated approach to public policy.

D. MOROCCO: A CASE STUDY

The case of Morocco provides a good example of the importance of integrated social policy in securing sustainable social development outcomes.

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[12] Alastair McAuley and Heba El-Laithy, "Integrated Social Policies in Arab Countries", in Femise Research Program 2004-2005, *Integration and Enlargement of the European Union: Lessons for the Arab Region*, Research No. Fem 22-07, November 2005, p. 104.

[13] For more information on Gender-Responsive Budgeting see, Diane Elison, *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*, UNIFEM, May 2006.

[14] ESCWA, *The Millennium Development Goals in the Arab Region 2005*, p. 13.

1. Background

Despite industrial growth, Morocco has struggled to deliver quality basic social services to all its citizens. As a result, some groups are still subjected to social exclusion and vulnerability, and many of the social indicators of poverty and inequity, such as illiteracy and poor health in rural and remote areas, remain a serious concern for the state.

In an effort to compensate for the poor performance of the public administration, the government launched the National Human Development Initiative (NHDI) to inject additional resources into basic and developmental services across the country. The initiative resulted in the creation of a parallel structure supported by the government and international aid partners.

NHDI is a commendable initiative and a clear expression of intent by the Moroccan leadership to improve social welfare. An in-depth analysis of the design and implementation of the NHDI reveals a number of lessons and good practices. In this context, the ESCWA three-tier framework provides a structured approach to analysing the strengths and weaknesses of such an initiative, by exploring the elements related to the policy vision, consensus building and service implementation and delivery.

2. Vision

Who designs a development or social policy plan will have a strong impact on how that plan is articulated. Was the plan adequately supported and strategically aligned? Were the state ministries and local authorities that provide public services invited to take part in the planning process of the NHDI? To what extent were Morocco's elected representatives at the national and sub-regional level engaged in the national development process? Who supplied and analysed the data upon which the NHDI was predicated?

3. Shared Consensus

Has there been adequate consultation with civil society and citizen constituents in the design and implementation of the NHDI? To what extent is this new and parallel structure accountable to its constituents, and what mechanisms ensure its responsiveness to citizen's and civil society concerns and suggestions?

4. Implementation

How are basic social services financed under the NHDI, and to what extent is this financing sustainable? What mechanisms and criteria are used to allocate budgets? What kind of coordination mechanisms are in place between the NHDI, the public administration and civil society actors? What provisions are included to energize or improve the performance of public administration and empower government bodies responsible and accountable for delivering basic social services?

Key messages

- To best implement an integrated social policy, ESCWA designed the three-pillar framework of vision, shared consensus and service provision.
- A political vision of an integrated social policy entails commitment and political will to redefine public policymaking to include ideals of social equity and equal opportunity for all.
- A viable and sustained social policy produces real development dividends where consensus and citizen input is constantly negotiated, argued and shared by all the different constituencies.
- Services designed and implemented within a comprehensive social policy are not divorced from economic growth considerations but are tailored from the outset to promote social equity, rights and opportunities for all citizens.
- An integrated social policy approach provides a compelling and legitimate starting point dialogue between government bodies, civil society organizations, constituencies and citizenry on development goals and needs.
- An integrated social policy provides a model for both managing economic and social tensions arising from the development process, as well as creating venues for different interest groups to contribute and participate.

Box 7. Step by step approach to initiating a social policy formulation in national development strategies

- Undertake **social policy analysis,** discern social inequities and identify their policy and institutional biases.

- Identify **concrete corrective measures** for existing policies or new policy instruments.

- Propose a set of **short, medium and long-term policies** to optimize developmental impact.

- Choose options acknowledging a country's **fiscal realities** and national socio-economic priorities.

- Draft a **National Development Strategy and Action Plan,** with agreed priority policies in the short, medium and long term to achieve national development targets, including the MDGs.

- Carry out a **budget analysis** including the **financing of social policy interventions.**

- Provide **adequate budgetary allocations** to support priority policies, preferably in a Medium-Term Expenditure Framework linking programmes to a multi-annual budget.

- Develop **effective implementation** arrangements.

- Establish **monitoring and evaluation** mechanisms, to assess effectiveness and to allow for

adjustments and improvements when the national development strategy is revised (normally every 3-5 years).

Underlying mechanisms and tools:

- **Optimize the interaction between economic and social development**, focusing on social policies that improve well-being and promote growth, and economic policies that lead simultaneously to growth and social progress;

- **Abandon a residual approach** and invest solidly in **redistribution/protection** (supporting people's needs and buffering risks) and production (building human capital and promoting employment);

- **Combine quantitative and qualitative analyses** to understand social, economic and political dynamics;

- **Use participatory institutions and processes;**

- **Involve development partners** (international and bilateral funding agencies and international NGOs) to draw on their expertise and to ensure alignment with national priorities and harmonization among donor interventions.

Adapted from, Isabel Ortiz, Social Policy, DESA/UNDP, August 2006, p. 11.

PROCESSES, MECHANISMS AND TOOLS FOR SOCIAL POLICY: STARTING POINTS

III.

III.
PROCESSES, MECHANISMS AND TOOLS FOR SOCIAL POLICY: STARTING POINTS

This chapter offers practical starting points for creating and implementing social policy, the "how to" applications for ESCWA's three pillars of an integrated social policy. At the vision in leadership and policy level, it demonstrates how social policy can integrate social concerns. The chapter also proposes initial steps for developing a shared consensus and enhanced citizen participation, and describes some holistic applications and approaches to implementing service delivery.

Countries that have worked for higher social development dividends and a sustained equitable social welfare system, such as Norway, Finland, Canada or even Malaysia, Tunisia and South Korea, have all created different mechanisms and institutional frameworks for their integrated social policies. They adapted social policy to their geographical, historical, economic, sociocultural and policymaking contexts, and ultimately achieved synergy between their economic and social objectives.[15] These successful precedents demonstrate the application of ESCWA's three-tiered framework. They also emphasize the roles of policy, service and oversight in the process, and the impact of government interface with civil society and the private sector in defining respective rights and obligations. In all cases, and regardless of specific institutional arrangements, these functions uphold a mutually acceptable and beneficial social contract.

Box 8. Egypt's Social Contract Center

With UNDP's support, Egypt has established a Social Contract Center within the Cabinet's Information and Decision Support Centre (IDSC). The new Social Contract Center was set up to promote the transformation of the relationship between the state and its citizens, a rearrangement that would build a momentum for change from the grassroots upwards to empower citizens and energize development across the society. The Center reports directly to the Prime Minister's office, and is tasked with providing substantive policy advice, monitoring progress towards achievement of the MDGs, and coordinating with various stakeholders to define, develop and articulate a vision for a new social contract that is to represent a paradigm shift in the state-citizen relationship, rooted in principles of democratic governance and modern concepts of citizenship.

Adapted from UNDP Egypt project profile.

The government, civil society and the private sector: A new social contract

The core of this social contract includes:
- Ensuring socially responsible profit-making;
- Mainstreaming and supporting weaker groups;
- Providing equal opportunities for all;
- Securing a minimum of social solidarity and cohesion.

The provision of these core goals is indispensable for social peace, stability and eventually higher dividends for all.

A. POLICY FORMULATION

The ways in which social policy is formulated to integrate social concerns in development is indicative of a nation's leadership and vision. Backed by sufficient data and analysis, strategic mechanisms and tools for socially responsible public policymaking can help identify the appropriate entry points for intervention, including: dialogue with national counterparts, intervening via the efforts of non-government stakeholders, encouraging the establishment of institutions capable of collecting and sharing reliable data, providing evidence-based research and data, drawing on regional efforts and best practices, and making available specific expertise in key areas (designing budgets, integrating monitoring and evaluation, outlining different scenarios for development options), etc.

Regional firsts

A promising initiative in the ESCWA region was demonstrated in Egypt by the National Conference on Integrated Social Policy (February 2007), sponsored by the Egyptian Ministry of Social Solidarity in partnership with ESCWA. Government and non-government participants confirmed state involvement in planning and implementation to enhance social equity. The Egyptian government's interest in convening this conference and engaging in follow-up indicated its awareness that reactive poverty-reduction approaches will no longer work without incorporating attention to social equity and justice. Several important recommendations emerged during the conference, including: [16]

(a) Instituting a system of checks and balances to apply social equity analyses, based on solid data collection, through the establishment of a unit, a committee or a council. Such a body would include representative stakeholders, and would critically review government policies and provide alternatives;

(b) Establishing a Social Observatory to access and analyse information and data;

(c) Creating sustainable partnerships for development through the engagement of civil society organizations and the private sector in all stages of policy development implementation. An enabling environment is vital to allow full participation;

(d) Applying greater administrative and fiscal decentralization, thereby allowing local communities to identify development challenges and opportunities and develop local solutions;

(e) Providing capacity building and awareness-raising at all levels of central and local government, and for civil society and the private sector.

With the support of the Prime Minister and the endorsement of the Minister of Social Solidarity, Egypt reaffirmed its commitment to work with ESCWA in formulating an integrated social policy. The subsequent National Ad Hoc Committee Report identified specific first steps, including: activating the role of the social group in the Cabinet, establishing an appropriate unit within the Ministry of Social Solidarity (MoSS), allocating a distinct budget for meeting the needs of the poor and other marginalized groups, supporting Social Development Groups (cross-cutting social service ministries), decentralizing the provision of services and mobilizing the resources of civil society. [17]

Egypt has begun to engage with government and non-government stakeholders, and was receptive to ESCWA's feedback and expertise. Though tailored to the Egyptian context, the feedback report by ESCWA's resource team offers an important blueprint and "how to" for other countries committed to promoting a socially responsible public policy. The report advocates the provision of:

(a) Specific indicators to demonstrate the mismatch between economic and social progress (i.e. social statistics on access to basic social services);

(b) Evidence of the interdependence of social and

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[16] ESCWA, "Egypt puts social policy on its agenda", 7-8 February 2007.

[17] National Ad Hoc Committee, "Towards Integrated Social Policy in Egypt", Third Draft, 5 April 2007. The momentum produced by this initiative led to an ESCWA-led mission to Egypt to advise the Ad Hoc Committee on options for integrated social policy implementation. ESCWA provided feedback on the Ad Hoc Committee report, emphasizing in particular the institutional mechanisms needed for social policy reform (at the three tiers) and for ensuring social outcomes are integrally linked within economic development processes.

economic policy (i.e. how failure to reform the education system to meet market needs led to high graduate unemployment);

(c) Concrete examples of the economic and political consequences of social discord (i.e. role of the state usurped by other actors);

(d) Proposals for how economic policies could produce improved social outcomes (i.e. leveraging government regulatory bodies to insert clauses in foreign direct investment contracts ensuring the quality and location of jobs); and

(e) Examples of the relationship between economic tools and specific social targets (i.e. introducing a local labour market clause whereby a specific number of jobs are guaranteed for the local population, and quality training provided to prepare for these new jobs).

**ESCWA region concerns
for development planning**

- The role of foreign policy obligations (the conditions of foreign aid, requirements of Structural Adjustment Policies, etc.);
- Access of citizen and constituent groups into policy making (both generally and in specific sectors, for example, women's groups);
- Quality, reliability and availability of data used to inform policy design.

B. ENHANCED CITIZEN PARTICIPATION

Patterns of citizen participation in public processes vary throughout the ESCWA region. Some countries, like Palestine, boast vibrant civil society organizations that involve citizens in the management of the public domain and with the government. Elsewhere, civil society organizations may be less effective, or subject to stringent controls over their structure and mandates.

Shared consensus promotes trust in governments and cements the social contract between government and the people. Instituting mechanisms and programmes that provide space for citizen participation in decision-making that affects their lives also empowers governments in withstanding competing interests and pressures. Creating the institutional spaces for community dialogue is an important element of enhanced citizen participation. Other countries have achieved success through Social Observatories or Social and Economic Councils, both of which promote partnership with the government and provide effective mechanisms and tools for the monitoring and evaluation of social issues and outcomes.

1. Economic and Social Councils

Various forms of Economic and Social Councils (ESCs) have been instituted internationally as organizational venues to strengthen dialogue between citizens and policy makers, identify and monitor social outcomes, and hold governments accountable (see Box 9 below for a description of the Irish Economic and Social Council).

ESCs are usually established as advisory bodies representing a range of social interests, including business associations, labour and trade unions, NGOs and other social groupings, that report to the main policy bodies in a country. As respected voices of civil society, the role of Economic and Social Councils is to assess the social impact of public policies and offer proposals for economic growth and social justice. [18] Especially relevant questions for the ESCWA region regarding the role and effectiveness of ESCs include:

(a) What is the institutional and legal framework? What laws govern the establishment of ESCs? Are they independent, advisory to government, etc?

(b) What is the composition of the leadership? Is it government appointed or independently elected?

(c) What is the membership and constituency of ESCs? What is their size, representation of range of social entities and interests, including public and private bodies both nationally and community-based?

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[18] For more information on ESCs, see ESCWA information kit (E/ESCWA/SDD/2008/Technical Paper.2).

Box 9. The Irish Economic and Social Council

The Irish Economic and Social Council was established in 1973 as an independent advisory body to the government on the development of a national economy and the achievement of social justice. It consists of a partnership of 32 members, comprising:

- Employer organizations;
- Trade unions;
- Farming and agriculture organizations;
- Community and voluntary sector organizations (including women groups, groups of senior citizens and persons with disabilities, youth council, and anti-poverty networks);
- Civil servants (one from the Office of the Prime Minister and one from the Minister of Finance);
- Independent experts.

The function of the Council is to prepare strategy reports on the economic and social conditions in Ireland and propose strategies related to economic development and the achievement of social justice (its reports contributed to a successful approach to tackle long-term unemployment and social exclusion, an area where Ireland is a recognized leader). The Council also works to foster partnerships and collaboration between the Government and the other social partners. The Council's reports are presented to Parliament. Reports and strategies recommended by the NESC also have a direct influence on the Social Policy Unit, located under the Department of the Prime Minister. The Unit itself is an effective mechanism to coordinate and conduct policy among different government departments and agencies responsible for social policy and social inclusion (Departments of Health and Children; Social and Family Affairs; Justice, Equality and Law Reform and Education and Science).

Adapted from, ESCWA/SDD, Comparative Experience Paper: The Experience of Economic and Social Councils, April 2007, pp. 3-4.

(d) What are their sources of financing? Are they government funded or independent?
(e) What is their relationship to social observatories and other research and monitoring institutions?
(f) Is there a mechanism for enforcement of ECS recommendations? What is the impact of recommendations? Are they binding on government?

2. Regional firsts

In the ESCWA region, Tunisia's Economic and Social Council (CES) stands out as an example of a successful ESC. The Tunisian CES serves as a prominent advisory body to the Government and Parliament. Established

in 1961, initially the CES comprised trade union and employer organization representatives, and was later expanded to include 118 members representing a variety of constituent organizations, including civil society organizations, professional and private sector groups, local government representatives, representatives of public administrations and institutions, as well as independent experts. The CES is funded from the public budget, but operates autonomously under the law. The Council reports to the President, the Prime Minister and the head of Parliament. The head of the Council is nominated by the Prime Minister.

The CES has five working groups, each headed by a council member. Each group works on a specific

set of sector issues pertaining to the economy, rural development, health, education, and international cooperation. The CES plays an important role in fostering dialogue between different constituencies on the major economic and social issues. The Council also articulates positions on relevant draft laws and decrees, including national economic and social development plans, progress reports on the implementation of the national plan, and the national budget. [19]

While effective, Economic and Social Councils are one of many instruments that enable the representation of different interest groups in a formal mechanism to check the public policies of government. Some countries use municipal forums, others public hearings, and still others rely on a more active social role and involvement of the media. In the final analysis, the idea of a shared consensus is located in the strengthened role of public office holders to consult with the "rights holders" and provide space for participation of different social and interest groups in society.

3. Social Observatories

Social Observatories offer a vital institutional instrument to inform policies, monitor trends, track the impact of programmes, and anticipate potential areas of tension or change. They may be established as independent, semi-governmental or government-dominated organizations that monitor social issues and trends to inform, guide and evaluate social policy. They focus on:

(a) Collecting, analysing and disseminating data on poverty and other social issues to inform social policy;

(b) Conducting or commissioning surveys, research and other types of assessments;

(c) Building knowledge capacity and evidence-based approaches to social policy;

(d) Disseminating information to the public to encourage citizen buy-in;

(e) Monitoring relevant laws and regulations and providing feedback;

(f) Providing links to other related organizational efforts in the country concerned and encouraging networking and partnership. These linkages are an important hallmark of Social Observatories.

In France, the National Observatory on Poverty Exclusion has 22 members, including relevant ministries and research institutes, as well as academics and researchers with expertise in related fields. It commissions studies on poverty and social exclusion to educate policymaking. In Sri Lanka and Mozambique, however, Social Observatories were created to focus more specifically on poverty reduction strategies.

There are also Social Observatories with a multi-country focus, like the European Social Observatory and the European Observatory on Health Systems and Policies. Many European Social Observatories are sponsored and supported by the European Union, including the European Monitoring Centre on Change and the European Observatory on Demography and the Social Situation. [20]

Social Observatories, while rare in the ESCWA region, could be effective in implementing social policy. Designing the appropriate structure and mandate would vary by context, and could be country or regionally-based. Important considerations would include the relative independence of Social Observatories, their location within specific government bodies, their access to data and information, their financing, membership, and their overall responsibilities vis-à-vis social policy.

C. SOCIAL POLICY IN NATIONAL DEVELOPMENT STRATEGIES

The 2005 World Summit reaffirmed the Internationally Agreed Development Goals (IADGs), including the MDGs, as the highest priority for economic and social

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[19] E/ESCWA/SDD/2008/Technical Paper.2 and ESCWA/SDD, Models of Social Policy. The Tunisian Experience and its Manifestations. *Social Policy Series No. 2.* United Nations, New York, 2002. (E/ESCWA/SD/2002/5) (Arabic and French).

[20] For more comparative information on social observatories, see information kit (E/ESCWA/SDD/2008/Technical Paper.1).

development. Governments pledged to design and implement more ambitious National Development Strategies, backed by increased international support.

Social policy provision in the ESCWA region is generally the responsibility of relevant sectoral ministries at the national and local levels, supplemented in many cases by services offered by civil society, NGOs and other private entities. Integrated social policy unites social outcomes with economic planning and development, predicated on sound data collection and analysis. National Development Strategies can be used to create synergy through collaboration and dialogue across sectoral ministries, between these sectors and policymaking bodies, and alongside citizen groups. Strategic mechanisms and tools for integrated service provision include:

(a) Mainstreaming social equity and cohesion;
(b) Integrating delivery and quality;
(c) Universal policies and targeting.

1. Mainstreaming social equity and cohesion

An effective state ensures that different segments of the population do not pay the social cost of development processes, and it redistributes wealth and resources to redress any such damages. A strong state plays a vital regulatory and enabling role in securing the means and monitoring the outcomes of mainstreaming equity through updated data collection and analysis.

Examples from countries such as Canada, Norway, Ireland, Malaysia and others demonstrate that mainstreaming social equity is an effective tool for promoting economic growth, and more effective than traditional approaches in service delivery. Equitable social policy can provide opportunities for decent employment and fair wages to reduce poverty and raise the standard of living.

The ESCWA region faces many challenges in mainstreaming equity at various levels, including addressing the varied ethnic and religious composition of their populations (i.e. Gulf countries host a large foreign labour force; Jordan, Iraq and the Syrian Arab Republic have large refugee and displaced populations). Many countries in the region also face resistance in promoting full gender equality.

2. Integrating delivery and quality

Investment in human resources and human development is a key component of an integrated social policy that pays dividends in both economic prosperity and social well-being. Productive welfare provides essential social services, while at the same time motivating and empowering citizens via education and training to participate in development processes as social actors rather than passive recipients of aid.

Many factors determine the quality of service-delivery in an integrated social policy. These include the human and institutional capacity to assess needs through quality data collection, allocate resources based on social analysis, and monitor the results; the appropriate mix of centralized and decentralized service systems to ensure available and accessible coverage to all layers of society; and the participation of civil society and other citizen organizations in bringing the voices of citizens to the attention of policymakers.

3. Universal policies and targeting

Tailored services address social needs of specific populations (by area, gender, income, etc.), whereas universal services are available and accessible as a general right enjoyed by all citizens. Generally, the United Nations recommends universal services, as they allow for cross-subsidization and ultimately provide better services to low income groups. Targeting is only recommended to fast-track universalism to the poor, and in the case of very specific population groups (e.g. the blind).

The issue of gender mainstreaming demonstrates the difference between tailored and universal service delivery. In the ESCWA region, Tunisia has both implemented policies to improve the status

and conditions of women (tailored policies), and to mainstream gender into the process of economic development. The principle of equality is enshrined in law, through the Personal Status Law (1956) and the constitution (1959). A number of prominent organizations created at government and non-government levels, including the Ministry of Women and Family Affairs, the National Council for Women and the Family, the National Committee for Women and Development, and the Center for Research, Studies, Documentation and Information on Women, underscore the government's ongoing commitment to advancing women's participation and equality in policy decisions that affect their lives. [21]

As illustrated in box 10 below, Canada has also rooted its social policies in the principle of universalism, whereby

all citizens enjoy inalienable rights to basic services as health care, education and retirement benefits.

4. Modelling social policy in National Development Strategies

A National Development Strategy should incorporate mainstreaming social equity and cohesion, integrating delivery and quality and investing in human resources, and universal policies/targeting. These objectives are predicated on quality data accumulation and analysis, combined with strategically designed results-oriented budgets, and integrated throughout governmental programmes.

Evidence from across the world demonstrates the mutually reinforcing benefits of growth with equity.

Box 10. Canada confronts fiscal challenges to welfare state

Globalization and associated technological and economic restructuring have transformed the politics of the welfare state in the West and certainly in Canada. Domestic and international policy can no longer be separated, and the future of social protection can no longer be contemplated except in a global context. The pressures on the welfare state are intense. Nevertheless, the welfare state remains deeply embedded in the political economy of the Canadian State. Social programmes continue to absorb a substantial, and indeed growing, portion of resources and public expenditures.

This is a challenging context for policymakers. At the broadest level, the challenge is to shift from a welfare state premised on national economy to one consistent with the dynamics of a global economy. Furthermore, this must be done in such a way as to preserve the historic commitment to social justice and social solidarity inherent in the post-war model. This broad challenge inevitably spawns an infinite number of subsidiary challenges, the most important of which are as follows: to find a balance between the social needs of the population and the fiscal pressures on the State; to devise educational and training systems that will equip citizens for a new economic order; and to ensure that social policies continue to reflect the diversity and needs of the Canadian society.

From Elissar Sarrouh, Social Policies in Canada: A Model for Development, E/ESCWA/SD/2001/9, 21 January 2002, pp. 82-83.

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[21] See, for example, ESCWA, Central Issues Related to Social Policies: Comparative Study and Guidelines for the Formulation of Social Policies in the ESCWA Region. Social Policy Series, No. 9, E/ESCWA/SDD/2004/2, 5 February 2004, p. 24.

Redistributive social expenditure in the area of labour and employment, for example, "lowers the cost of labour by increasing its productivity levels", and in turn contributes to increased profits, and hence increased potential for investment and growth.[22] Social expenditure in health, education and other sectors within a comprehensive social policy points to similar results.

Health improvements are found to play a role in economic growth through their impact on productivity and demography. A major result to emerge from research is that life expectancy is a powerful predictor of subsequent economic growth. The mechanisms are believed to be: (i) improvements in productivity that arise from a healthier workforce and less morbidity-related absenteeism; (ii) increased incentives for individuals and firms to invest in physical and human capital; and (iii) increase in savings rates, as working-age individuals save for their retirement years. The demographic shift induced by improved health reduces the dependency ratios (which reduces savings) and increases the share of the active labour force in the economy.[23]

A blueprint for an equitable National Development Strategy integrates ESCWA's three-tiered framework for social policy and an approach to growth with equity that incorporates productive, reproductive, redistributive, protective, and equitable and inclusive functions of social policy. Box 11 illustrates key dimensions of a National Social Policy in the areas of employment and labour, education, health and social protection: [24] Countries in the ESCWA region can examine expenditure, allocations and outcomes in social service sectors against the checklist provided in the blueprint above and in terms of national priorities (achieving the MDGs, addressing deficits identified in the Arab Human Development Reports, etc.), to identify the roles and

responsibilities of government and civil society sectors, examine any disparities and any need for institutional mechanisms, or other interventions, and carry out projections to devise alternative scenarios and inform policy directions in these sectors.[25]

D. SOCIAL POLICY STARTING POINTS: A SUMMARY

1. Summary of steps for social policymaking

(a) Provide venues for citizen participation, where citizens can hold their governments accountable, and their input is incorporated into public policymaking;

(b) Strengthen institutional and human capacity in the justice system, public administration and other government agencies, and engage and involve all relevant social and economic ministries in joint deliberation about the new social contract;

(c) Enhance the incorporation of human rights approaches in strategic analysis and capacity-building (i.e. social analysis capacity of economic and social groups at Cabinet level) on the interdependence of economic and social objectives and to integrate social outcomes and consequences of economic development directly into economic and development planning and in National Strategic and Development Plans;

(d) Strengthen capacity and support reliable data collection and analysis and disaggregated data, and strengthen the capacity for results-oriented budget process.

2. Summary of ways to promote a shared consensus

(a) Involve a range of actors and create institutional spaces for community dialogue and learning to foster community buy-in, by strengthening the role

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[22] Thandika Mkandawire, *Social Policy in a Development Context*, UNRISD, Social Policy and Development Programme Paper Number 7, June 2001, p. 8.

[23] Ibid., p. 8.

[24] Adapted from Isabel Ortiz, Social Policy, DESA/UNDP, August 2006, pp. 33-57.

[25] See for example, the varying scenarios laid out for Egypt under two different projections; *Egypt Human Development Report 2005, Choosing Our Future: Towards a New Social Contract*, UNDP, and The Institute of National Planning, Egypt, 2005.

Box 11. Key elements of a Social Sector Policy for a National Development Strategy			
Employment and labour	**Education**	**Health**	**Social protection**
Goal Promote decent employment to reduce poverty and raise living standards	Establish programmes to ensure universal access to education	Afford universal primary health services, maternal and child health	Address needs of high risk and vulnerable groups
Rationale Decent work increases productivity, contributes to workers' well-being, reduces poverty, boosts domestic demand, promotes equality and enhances social cohesion and stability	An educated citizenry is critical for long-term economic growth and general social cohesion and stability; demonstrated contribution of investing in education for girls to improve health and well-being, c ontributes to achieving the MDGs	Available and accessible health services is vital to promoting health and well-being of individuals, families and communities; direct impact on labour productivity and economic prosperity and growth	Protects high risk and vulnerable groups from outcomes of economic processes, mainstreams equity, promotes social well-being and social cohesion
Instruments **Social consensus for employment-generation policies and activities** • Demonstrate links between economic and social policies • Afford opportunities for social dialogue and participation (unions, associations, collective action) • Buy-in by business interests **Labour standards and fair income** • Labour standards consistent with international law and human rights conventions (example, elimination of child labour), non-discriminatory (by gender, age, disability) • Legislative reform regarding employment, conditions and wages **Skills development for enhanced productivity** • Training and skills development linked to labour market demands and labour needs (and retraining programmes) **Productive and freely chosen employment** • Create opportunities with public works programmes, tax breaks, subsidies, etc.	**Promote universal free primary education** • Eliminate fees and barriers, promote efforts to encourage retention (especially for girls, which has proven results in producing a positive ripple effect on entirefamilies and communities) • Preschool education • Teacher training **Advance secondary, vocational/ technical and tertiary education** • Link to labour market needs and demands • Ensure affordability and accessibility for all • Encourage acquisition of professional and technical skills • Quality and relevance of education • Invest in teacher training, capacity-building • Review curricula, link to local needs • Strengthen uniform national educational standards	**Promote preventive health service programmes** • Healthy lifestyles • Immunization • Family health • Food and nutrition • Environmental health, sanitation • Occupational health **Extend coverage of health care** • Ensure affordable and accessible health services • Address costs, fees, insurance, locations, standards, services, etc. • Address particular needs of poor, remote communities, other excluded groups **Maternal and reproductive health** • Routine and preventive health services • Informing and empowering women about their health • Promote nutrition and sanitation awareness **Combat HIV/AIDS and malaria** • End the silence and reduce discrimination • Provide free and accessible mosquito nets, drugs **Other health issues** • Educate about chronic disease prevention and management	**Expand pension and insurance coverage** • Create unemployment insurance options • Social security programmes • Reform legislation, criteria for pension eligibility (e.g. women) • Illness and maternity leaves **Address urgent community needs** • Food security programmes • Ensure access to vital supplies (fuel, electricity, water) • Conduct disaster relief **Support women and the unpaid labour force** • Provide benefits and opportunities to women in the informal economy • Expand affordable child care services, senior services etc. **Protect children** • Protect street children, eliminate child labour and child prostition

of the media, inviting input by a range of civil society organizations and by providing venues for citizens to voice their needs and concerns;

(b) Develop institutional venues and capacity to invite regular feedback and monitoring of economic and social progress and build legitimacy; such as in the form of Economic and Social Councils, Social Observatories and other social policy units.

3. Summary of targets for integrated service provision

(a) Mainstream social equity and cohesion by ending discrimination against women and vulnerable groups, providing legal and institutional frameworks to advance equality of opportunity;

(b) Provide integrated services across departments and ensure quality by approaching service delivery within a comprehensive National Development Strategy that is designed to enhance equitable human development;

(c) Ensure efficient tailoring (and universalism) by ensuring provision of targeted services where needed in order to redress past discrimination or current inequalities (for example, against women or the unemployed), and investing in right of all citizens to basic services;

(d) Design a National Social Policy with concrete goals, actions and targets identifying social outcomes for the poor and the vulnerable;

(e) Allow investment and capacity building in Results-Oriented Budgeting that closely monitors and evaluates the entire budget process.

CONCLUSIONS AND NEXT STEPS

IV.

IV.
CONCLUSIONS
AND NEXT STEPS

A. CONCLUSIONS

The report illustrates contributions of integrated social policy as an integral part of economic growth policies even as (and because) it simultaneously advances human development with economic change. By elaborating the concept of social policy, examining its contributions and indicating how social policy is created and implemented, this report is intended as a practical guide to policymakers and other stakeholders in the ESCWA region.

Throughout the report, emphasis is placed on the integrated and holistic nature of a socially responsible public policy within and between each of the three essential tiers: vision and leadership, shared consensus and civil society participation, and implementation and service delivery. As demonstrated through evidence-based research and information from the region and beyond, social policy promotes growth with equity, enhances the regulatory and enabling role of a strong state, and produces real social dividends in the process of meeting MDGs and other development goals.

Throughout this document, successful mechanisms for implementing integrated social policy rest on key principles that organize models of integration of social equity in human development at all three levels of policy formulation, consensus building and service delivery,

namely, Social Rights, Social Regulation and Social Redistribution.[26] Processes and outcomes envisioned in this type of social policy include:

(a) Economic growth and equity, supported by a strong state as the main regulatory body responsible for creating an enabling environment for change;
(b) High social security for all, in particular women, the unemployed and the vulnerable (for example, Canada's welfare-type model of universal right to services);
(c) Involvement of all parties in decision-making with social emphasis (for example, Malaysia's social investment approach to poverty eradication);
(d) Sound planning of social and economic policies in tandem (for example, Tunisia's emphasis on good governance and reform within economic planning and development).

B. NEXT STEPS

The Expert Group Meeting held in Amman, Jordan, on January 17, 2008, generated a number of ideas and recommendations for consideration and follow-up. Ideas advanced at the meeting include: [27]

(a) Extract from this report key information, messages and evidence to develop specifically-tailored advocacy material for use in dialogue with national

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[26] ESCWA, *Central Issues Related to Social Policies: Comparative Study and Guidelines for the Formulation of Social Policies in the ESCWA Region*, 2004, p. 28.

[27] ESCWA, *Expert Group Meeting on the draft Integrated Social Policy Report, No. 2*, Amman, Jordan, 17 January 2008.

counterparts in Ministries of Social Development, and for use by other relevant stakeholders in their interventions with government and constituent groups;

(b) Collaborate with economists to explore the practical feasibility of integrated social policies in different settings, specifically:

(i) To draw up country specific projections of alternative scenarios (similar to those developed in the Egypt Human Development Report, 2005);

(ii) To allay concerns of traditional economists, business and private interests by providing data and evidence-based information on the merits of social policy in promoting growth with equity and addressing relations of dependence in international trade;

(iii) To research and evaluate advantages and disadvantages of other popular approaches; for example, Poverty Reduction Strategies and the concept of corporate social responsibility in specific settings;

(iv) To provide compelling information and data that elaborates the distinction between enhancing "labour productivity" and reducing poverty, and movement toward real equity and justice, and related challenges and concerns;

(v) To collect and disseminate data on the emergence of a middle class as both an outcome of effective social policy and a product that may enhance social stability, economic prosperity and equitable human development;

(vi) To collaborate with ESCWA and national counterparts in designing and demonstrating the effectiveness Results-Oriented Budgeting;

(c) Conduct study tours or other consultations with international experts (especially on budgeting, national development strategies, international successes with social policy);

(d) Conduct research and collect data and information:

(i) To create and refine country reports that are consistent and comparable (for example, develop a common set of indicators and list of issues to cover in all reports, as needed);

(ii) To develop a typology or taxonomy of countries so as to cluster countries which share similar features and face comparable development challenges;

(iii) To use such typologies to operationalize the concept of integrated social policy as applicable in different contexts;

(iv) To consider operationalizing key elements of the Arab Human Development Reports within integrated social policy, for example, gender mainstreaming, education reform, addressing the "freedom" deficit;

(v) To address the paucity of reliable and valid data and indicators of social development, in areas including challenges to equitable growth, changing demographics, youth unemployment, the informal economy, and especially gender disparities in all sectors;

(vi) To evaluate current national social policies in light of MDGs and equitable development.

(e) Conduct surveys on attitudes and perceptions about the requirements of a "minimum decent living" in countries of the ESCWA region to inform social policy;

(f) Refine concepts of social solidarity and citizenship and evaluate which mechanisms, approaches and best practices may promote these in the ESCWA region;

(g) Draw lessons and disseminate information from pilot projects and best practices; for example, Social Observatories and other social policy units in countries of the ESCWA region for consideration;

(h) Engage in dialogue and collaboration with national and regional counterparts to establish relevant institutional mechanisms, including academic and research centres of excellence, to collect and disseminate data and to support cultivation of a culture of social solidarity and commitment to equitable human development in countries of the ESCWA region.

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ANNEX I

SUMMARY OF PROGRESS MADE IN THE MILLENNIUM DEVELOPMENT GOALS IN THE ARAB REGION

A summary of progress made in the MDGs in the Arab region reveals the following trends: [28]

Goal 1: Eradicate extreme poverty and hunger

In 10 Arab countries where data is available (Algeria, Comoros, Djibouti, Egypt, Jordan, Mauritania, Morocco, the Syrian Arab Republic, Tunisia and Yemen), 16.8 per cent of the population was living in poverty in 2000, compared to 16.4 per cent in 1990.

Goal 2: Achieve universal primary education

Between 1990 and 2002, net enrolment rates in primary education rose by an estimated 8 per cent, but overall by 2002, 20 per cent of children of primary school age were not enrolled.

Goal 3: Promote gender equality and empower women

In 2002, an estimated 44 million women over 15 years old and representing almost half of the female population, could not read or write. It is expected that with the current rate of progress, the Arab region could achieve greater gender equality at all levels of education by 2015. In terms of economic activity, in 2000, women's (non-agricultural) economic activity stood at 29 per cent in 2000, one of the lowest in the world. Female representation in national decision-making process in the Arab world remains low. In 2005, 8 per cent of parliamentary seats were held by women, compared to 4 per cent in 1997. Specific countries introduced special measures to increase women's representation (for example, Kuwait, Iraq).

Goal 4: Reduce child mortality

Between 1990 and 2003, child mortality in the Arab region declined from 91 to 70 deaths per 1,000 live births. Child mortality is lowest in the Gulf Cooperation Council countries: 23 in 2003, down from 39 in 1990.

Goal 5: Improve maternal health

In 2002, there were 377 maternal deaths per 100,000 live births, compared to 465 in 1990. Overall, maternal mortality rates and related data on natal care indicate that the region is not yet on track to meet maternal health-related targets.

Goal 6: Combat HIV/AIDS, malaria and other diseases

Between 1990 and 2003 the number of reported AIDS cases rose by about 42 per cent and incidence of HIV/AIDS is on the increase.

Goal 7: Ensure environmental sustainability

Several countries of the region have made clear progress in addressing the challenges of sustainable development. However, protecting the environment and achieving environmental sustainability will still require concerted efforts to address meager natural resources, particularly energy, water and soil, especially in the course of rapid industrialization and economic development.

Goal 8: Develop a global partnership for development

Achievement of this goal is closely connected to creating an enabling environment for pro-poor development at the national, regional and global levels, and requires the commitment and participation of both national governments and foreign partners in the effort.

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[28] Data on specific sub-targets as well as information on variations among and between countries of the region can be found in the ESCWA report cited.

ANNEX II

GENDER RESPONSIVE BUDGETING

Mechanisms and tools used in gender responsive budgeting may be considered in budget-planning and financing of socially responsive public policy.[29]

A five-step approach to gender budget analysis

1. Describe the situation of women and men, girls and boys; needs/client (and different subgroups, such as rural/urban, age-based, analysis etc.) in the sector under consideration.
2. Assess the policy, programmes and projects in terms of policy, their gender-sensitivity, that is, whether they address the programme situation described in Step 1.
3. Assess whether adequate financial (budgetary) and other inputs and resources (for example, staff) are allocated to implement the gender-sensitive policy of Step 2 effectively.
4. Monitor whether the expenditure allocated in Step 3 is outputs spent as planned.
5. Assess whether the policy, together with the associated impacts/expenditure, has promoted gender equity as intended, and whether outcomes changed the situation described in Step 1.

Assessing revenue sources for gender implications

Men and women may be affected differently by direct and indirect taxes and fees. For example, poor women in developing countries are more likely to be affected by value-added tax but less likely to be directly affected by personal income tax, since there may fall under the minimum income for which there is tax liability.

Governments raise revenue from a number of sources, all of which must be examined for gender implications, including:

- Direct taxes on personal incomes and on the profits of corporations;
- Payroll taxes, paid by employees and employers;
- Property taxes;
- Indirect taxes on good and services;
- User fees for public services;
- Fees for licenses;
- Income from public enterprises and property;
- Interest on financial assets;
- Sale of public sector assets;
- Foreign aid grants.

Expenditure

Considerations affecting public expenditure for gender equity include the following:

- Priority given to gender equality and the advancement of women in distribution of public expenditure between programmes:
- Elimination of discrimination (in both policy and effect) against women in the distribution of public;
- Adequacy of public expenditure for realization of the obligation to achieve de facto gender equality;
- Gender equality in the impact of public expenditure;
- Gender equality and public expenditure reform.

The 'maximum available resources', which the government could utilize for 'progressive realization' of human rights, depend upon the following factors:

[29] Steps and guidelines adapted from Diane Elson, *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*, UNIFEM, May 2006, pp. 15, 71-72, 144.

- Size and structure of the economy and its rate of growth;
- Structure of tax rates;
- Effectiveness of tax administration;
- Structure of user fees;
- Effectiveness of administration of user fees;
- Availability of other sources of revenue;
- Inflow of foreign aid;
- Government borrowing;
- Interest payments for domestic and foreign creditors;
- Underlying distribution of resources in the society.

Uses of gender responsive budgets

- Assists in impact assessment;
- Promotes equity;
- Assists planning;
- Manages implementation;
- Enhances auditing;
- Prioritizes needs/allocation of resources;
- Monitors and evaluates policy.

Comparative example – Gender budgeting in Malaysia

The example of Malaysia's experiment with gender-responsive budgeting demonstrates key linkages emphasized in this report, among these: vision and political will, commitment to plan and implement, collaboration across sectoral ministries to integrate social and economic concerns, mainstreaming gender equity, building capacity, learning and shared consensus. [30]

▶ *Background*
Gender mainstreaming was placed on the agenda in 2000 with an address by the Prime Minister to the Regional Steering Committee of Women in Asia-Pacific. The Ministry of Women and Family Development was established in 2001 to promote gender equity and women's development. Later renamed as the Ministry of Women, Family and Community Development (MWFCD), in 2004 that Ministry was given the lead in launching a pilot project in gender budgeting.

▶ *Rationale*
1. Gender budget work aims to utilize the country's human resources fully by promoting women's participation in, and contribution to, economic and social life.
2. Gender budget work helps to optimize the country's financial resources by matching budgets to plans, priority programs, and projects.
3. A gender-responsive budget helps the Government to improve:
   (a) Prioritization;
   (b Planning;
   (c) Management of implementation;
   (d) Monitoring and evaluation;
   (e) Impact assessment.
4. Malaysia boasts ideal conditions for carrying out gender budget work:
   (a) It has a mature and output-based budgeting system that can easily be adapted to accommodate gender elements;
   (b) Its central ministries such as the Ministry of Finance and the EPU are moving towards a more analytical and long-term planning approach;
   (c) The Government has a relatively strong degree of financial control over the budget.

▶ *Pilot project:*
The primary aim of the gender budget pilot project in Malaysia was to test and develop a proven, workable format for gender budgeting that could be applied to the rest of government. Other objectives included training budget officers in gender analysis skills to enable them to produce meaningful **gender budget statements** and to produce a manual containing basic information and training materials relevant to the Malaysian situation. Emphasis was also placed on grooming a core group of officers in the gender budgeting approach to assist with backstopping and future training for other ministries. The project was implemented in the ministries of Education, Health, Human Resources, and Rural and Regional Development. Specific programmes and projects budgeted, including:

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[30] Adapted from, Kementerian Pembangunan Wanita, Keluarga dan Masyarakat, *Gender Budgeting in Malaysia*, UNDP/MWFCD, 2005, http://www.undp.org.my/uploads/Gender_Budget_Advocacy.pdf.

- Primary education – Ministry of Education
  - Boarding schools development
  - Matriculation colleges development
  - Special vocational education secondary schools
- Orthopedic, family health development – Ministry of Health
  - Upgrading of hospitals
  - Rural health facilities
  - Urban health facilities
- Community development, child development – Ministry of Rural and Regional Health
  - Housing aid for the poor
  - Mental development
  - Income improvement

▶ *Budget format:*

Budget format included information on the objective of the programme, needs/policy analysis, clients (beneficiaries), functions that needed performing, sources of funding, specific outputs, impact indicators and an evaluation plan.

▶ *Achievements of pilot project:*

The gender budget pilot project was implemented in mid-2003 with the overall objective of promoting gender mainstreaming in the Malaysian Government.

The budget was chosen as the focus because it is the Government's most important policy tool. Without money, no policy, programme, or project can be successfully executed. Among the concrete achievements of the pilot project are the following:

- Malaysia now has formats for gender budget statements for both the operating and development budgets that clearly show gender issues, outputs, and outcomes.
- Officers in the five pilot ministries have acquired skills in gender budget analysis and are able to draw up gender budget statements.
- Key MWFCD officers have gained a good understanding of the GRB approach.
- A manual on GRB which matches the Malaysian system has been published.
- A team of officers drawn from the MWFCD, INTAN, and the pilot ministries have been groomed to conduct training on GRB for other ministries.
- The Ministry of Finance has issued a directive in the Call Circular 2004 that the five pilot ministries implement gender-responsive budgets for the selected programmes beginning in 2006, while other ministries are encouraged to address gender issues in their budget submissions.

ANNEX III

FEATURES OF AN ENABLING ENVIRONMENT

Social policy requires a gradual process involving time, commitment, consistency, and resources. Creating an enabling environment in the ESCWA region involves laying the groundwork in a number of key areas. Among these:

- Creating or reforming public institutions;
- Ensuring availability of reliable and valid data;
- Designing comprehensive national strategic development plans;
- Financing social policy;
- Developing the mechanisms for social policy;
- Linking economic and social objectives from the perspective of human rights.

Creating or reforming public institutions:

Some specific approaches to enhancing good governance characterized by transparency and accountability, with a view to enhancing capacity and effectiveness in designing and implementing integrated social policies as a system of social rights, social regulation and social redistribution in the ESCWA region, include the following:

Parliament: Enabling citizen and stakeholder input into parliamentary processes and policy debates and to bills and legislation under consideration. This contributes to establishing a system of checks and balances, so as to ensure systematic attention to the social dimension in all (economic and public) policymaking. National governments have tested different processes; for example, parliamentary committees, parliamentary and civil society commissions, Economic and Social Councils, etc.

Electoral systems: Expanding electoral systems to enable citizen input, especially among marginalized and vulnerable groups; for example, promoting the right of women and excluded groups to vote and enabling

female candidates to run for public office at national and local levels. These measures help to redress gender and other imbalances and introduce voices and perspectives from other than traditionally male dominated political leaderships.

System of justice and rule of law: Social policy effectiveness is greatly enhanced when government at all levels enjoys transparency and accountability and where citizens evince trust toward their political leadership. Citizens who perceive they are treated equally and fairly and perceive government agencies as responsive to their needs are more likely to buy in to programmes that affect their lives. Equality before the law, judicial independence, a system of checks and balances are among the key features underpinning the rule of law.

Public administration: Socially responsible public policy is greatly enhanced by attention to civil service reform where needed, capacity-building, enhanced research and data-collection skills, streamlined bureaucracies, decentralization, etc. Public administrative changes may include attention to the link between revenue collection, budgetary allocations and social outcomes. The main consideration is to tailor reforms so as to include elements of an equitable social policy that can check public policymaking and outcomes.

Sector Ministries: Integrated social policy may be enhanced by involving Ministries of Social Affairs and other service sector ministries in direct policymaking in addition to the implementation roles they currently perform; that is, a concerted effort to bring together all those involved in the service sector so as to improve their coordinated work under a national social policy umbrella, avoid duplication and overlap, improve their targeting efforts, and monitor the impact of their respective services.

ANNEX IV

CONSIDERATIONS FOR RESULTS-ORIENTED BUDGETING

Tax system: Assessment of the entire tax system; from policy and procedures, sources of tax revenue (disaggregated by social criteria, including gender, age, marital status, employment status, etc.); and other taxes and fees (GST, property taxes, professional licensing fees, etc.), to inform financing options in social policy. The purpose is to examine all sources of tax revenue, indicate areas that may require reform, and evaluate gaps, disparities and other inequities in the revenue collection/budget allocation processes. Some specific issues concern how revenue is collected and which sectors of society pay most—or least; whether income or other taxes place an undue burden on middle and poorer sectors; whether special taxes imposed on certain goods and services distribute the burden equally across the population; and whether male and female income earners benefit equally from deductions and exemptions for themselves and their families; among others.

Social insurance coverage: Assessment of social insurance benefits in all respects, including governing policies and regulations, providers, eligibility, disaggregated data by social criteria, including gender, age, employment status, location, income level, etc.), so as to identify current patterns and gaps and evaluate possible social policy options. Some additional questions may include whether men and women benefit equally from social insurance policies; whether social insurance benefits depend on marital status, linked to employment status, household or individual income, how long they last and what are conditions (for example, whether coverage is available to foreign workers, immigrants, refugees), among others.

Pension funds: As with social insurance, policies and procedures regarding pension funds and benefits also help to identify a government's philosophy and priorities in development. Apart from the specific management of pension funds (government and/or private) and who

has access and for how long, questions in this area also reveal what emphasis is placed on the "productive" side of social welfare compared to protection of the elderly, the poor, the unemployed and the otherwise economically or socially vulnerable. Assessment of any gender disparities (particularly concerning marital status, age, amounts, and eligibility) is also important.

Mineral resources and rents: Countries in the ESCWA region enjoy a wide diversity in natural resources as a source of revenue for investing in social policy. Countries of the Gulf region, for example, enjoy considerable revenues from their oil resources, while other countries may depend more on other sources of funds (foreign investment or labour remittances, to name a few). Assessing a country's investment in mineral exploration and utilization may indicate areas for possible revenue generation or reallocation. Other questions concern who currently benefits from these revenues and how they may be redistributed more equitably as needed to advance social equity and human development.

Remittances: Remittances from expatriate labour are undeniably important sources of revenue for several countries in the Arab region. Examining these sources of income and investment provides information on the relative status of various populations, and may indicate where governments reduce their own services and spending (or tailor them exclusively to the vulnerable poor) by relying on remittances to support family members sustain a "decent" minimum living. Since remittances are not guaranteed and relying on them is risky, this source of income reveals much about the productive and reproductive capacity of households, individuals, and the conditions in the general economy. Some specific questions concern gender differences (for example, single mothers or widows who do not receive remittances), foreign female labourers who may not earn enough to send home, and so on. Examining remittances

for their effects on social inclusion, social rights, and equity can point to avenues for government and non-government interventions in social policy.

Foreign aid: Foreign aid is a significant source of revenue and investment for several countries of the ESCWA region. Financing social policy requires an assessment of the sources, allocations and conditions associated with foreign aid and investment and careful analysis of outcomes and results. This would assist the country in question determine if and how such aid is in line with its own development priorities and provide factual information on which to base dialogue with foreign donors about any alternative social policy interventions.