

Distr.
LIMITED
E/ESCWA/SDD/2007/WP.1
4 January 2007
ENGLISH
ORIGINAL: ARABIC

ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA (ESCWA)

**CRITICAL REVIEW OF SUCCESSFUL EXPERIENCES IN
INTEGRATED SOCIAL POLICY**

Prepared by
Dr. Hasan Hammoud
Lebanese American University



United Nations
New York, 2007

Note: The opinions expressed in this paper are those of the author and are not necessarily those of ESCWA.

07-0012

CONTENTS

	<i>Page</i>
Introduction.....	1
<i>Chapter</i>	
I. THE EXPERIENCE OF STATES WITH SOCIAL WELFARE SYSTEMS	2
A. Methodological observations.....	2
B. Factors conducive to social welfare.....	3
C. Factors impeding social welfare	7
II. GUIDELINES FOR SOCIAL POLICY FORMULATION IN ARAB COUNTRIES	11
A. Notes on the use of the guidelines	11
B. Historical development.....	11
C. Globalization.....	12
D. Vision and political commitment.....	12
E. General trends and values.....	13
F. Models for formulating social policies.....	14
G. The social development approach	16
H. The competence of the public administration.....	17
I. The planning process	18
J. Investment in human resources.....	19
K. Financial sustainability	20
<i>References</i>	21

Introduction

This paper consists of two parts. The first part reviews the experiences and particularities of selected social welfare States, with a view to identifying factors conducive to achieving social welfare and the impediments thereto. Those factors have been determined by reviewing the experience of five countries, namely, Canada, Malaysia, Norway, South Korea and Tunisia, in formulating social policy, and identifying the successful contribution of that experience, not only at the planning level, but also in the implementation of policies and special programmes aimed at developing their societies and achieving optimal social welfare for their citizens.

The second part sets out general social policy directions that can be adopted in the Arab countries in preparation for formulating and implementing such policies. Those themes can provide a reference framework for decision makers and others working in the field of social development and involved in planning policies and related programme implementation, follow-up and evaluation, with a view to enhancing and promoting their efficiency.

Some studies and reports on social policy prepared by the Economic and Social Commission for Western Asia (ESCWA) have been consulted in the preparation of this paper.

I. THE EXPERIENCE OF STATES WITH SOCIAL WELFARE SYSTEMS

The concept of social policy is generally of considerable importance to the world community and, in particular, to developing countries, because of its significant impact on the advancement, development and welfare of societies, and provision of a decent standard of living for their citizens. It also helps to provide basic needs and minimize disparities between members of the same society, hence achieving an acceptable level of social justice and equality and, therefore, social stability and social cohesion.

It is no longer possible to expect free market policies to assume those roles. In recent years, neo-liberal economic policies have widened, if indeed they did not actually create the gap between the affluent few and the destitute masses. They therefore qualify as the principal cause of social and economic distortions in the world. Structural adjustment policies and attendant requirements from Governments, including freeing economies and adopting privatization and free market policies, have led to increased unemployment and poverty, deteriorating living conditions for large swathes of the population, and greater disparities between the various social strata and regions. Further results have been the marginalization of large segments of society and adverse living conditions for children, women and families in general, and for ageing persons in particular.

The reform of social policies in Arab countries in the light of globalization is no longer an option for Governments, but an absolute necessity if political stability and national peace are to be guaranteed. Such reform will provide the foundation for advancement and progress in the modern world.

This part of the report presents a review of the experiences of five countries, namely, Canada, Malaysia, Norway, South Korea and Tunisia, in social welfare. It aims to identify the main factors that have contributed to the success of the efforts of those countries to improve the quality of life of their people, as well as the factors that have sometimes impeded the realization of that purpose.

A. METHODOLOGICAL OBSERVATIONS

The experience of the five countries under consideration has varied because of their different political, economic and cultural conditions and levels of development and extent to which their regimes and institutions have been modernized. Some methodological observations should be made here in order to help social policymakers and other relevant actors in the ESCWA region derive greater benefit from reading about those experiences.

(a) Each of the five experiences was considered in the context of its political, social, economic and cultural particularities, which obviously impact significantly on the models, concepts, strategies and policies that are pursued. Furthermore, each society is at a different stage of development and modernization, which means that disparities will, over time, inevitably appear within the same society. What was acceptable 20 years ago, for example, might not be acceptable today;

(b) It should be noted that this study was prepared more than five years ago, and changes have inevitably taken place. Therefore, the study may not accurately reflect current conditions in the five countries included in the study. Nevertheless, it is possible to deduce lessons from those experiences, despite the time lag;

(c) In reviewing an experience, consideration has to be given to the fact that what applies to industrialized societies does not automatically apply to developing countries, given that each society has different particularities and conditions and is at a different stage of development and modernization. Caution should be observed, therefore, in formulating social policies in developing countries, and what is in place in the West should not be replicated exactly for fear that the result could bring about conditions that might reduce motivation and jeopardize ethics, leading to acts that could threaten national economies and employment. Owing to dwindling growth and stability in the global economy and the challenges of

development in developing societies, the priorities of social policies differ between developing and industrialized countries. Therefore, when developing modern social security systems, such traditional systems for transfers and social services as almsgiving, the mutual assistance provided by the extended family and other forms of solidarity should be maintained and improved;

(d) It is difficult to conceive of a single model for a social welfare state. Those in Europe differ, as do those in the countries under review in this report. Each model assigns different roles to the State, the family and the market in providing services and social assistance and securing income. The extent of the services provided also vary, and are usually linked to citizens' rights and work benefits. There is further variation in the size of benefits and social services.

B. FACTORS CONDUCTIVE TO SOCIAL WELFARE

It was possible to deduce five categories of factors which were common, albeit in varying degrees, to the five countries of the study, and which have contributed positively to the achievement of high levels of social welfare in those countries.

The first group of common factors covers general courses of action, principles and values, including political vision and conviction among decision makers respecting the achievement of social welfare; commitment to social rights for citizens and the development of national unity; commitment to promoting collective responsibility preserving social and political stability and promoting social cohesion; and the wish to legitimize the ruling regime and strive for social justice.

The second group covers social welfare strategies, including gradual reform in the application of social policies and integration between those and economic policies; investment in human resources; recourse to productive welfare and the social development model; and comprehensive coverage in the provision of social services and benefits.

The third group covers supportive factors, including public opinion in support of social policies pursued; effective trade unions and pressure groups; public participation in decision-making processes; Government responsiveness to citizens' demands; joint ventures between employers and employees; efficient public planning administration; and a climate of transparency and accountability.

The fourth group concentrates on the economy and its role in society's attainment of its goals. It includes the role of the State in promoting levels of economic growth; effective taxation systems; structural reform; and the adoption of a mixed macroeconomic system.

The fifth group includes such pressure factors as the demographic particularities of the population; regional differences within society; the influence of experts and technocrats; the pressures of modernization processes; the empowerment of women; and efforts to reduce unemployment.

1. *General trends, principles and values*

The nature of social policies and their objectives in a given society are determined by a group of values and principles that emanate from the prevailing ideology in that society. The course that those policies take is affected by prevailing political, economic and social conditions. In the case of Norway, it is the social democratic ideology of the country, and a belief in social justice, the social rights of every citizen and collective responsibility that determine the direction of public policies and the nature of the outlook and political commitment of the regime, namely, that the State is synonymous with social welfare. While Canada adopted the same course of action, principles and values in establishing a social welfare society in the middle of the twentieth century, since the early 1990s it has begun to adopt a more neo-liberal approach which continues to seek to change the regime's course and political commitment and reduce the State's role in the lives of its citizens, notwithstanding the promulgation of a code of liberties and rights of citizenship

which obliges the State to ensure equal opportunities for all its citizens, minimize disparities between them and provide them with reasonable standards of public service.

It seems that clarity of vision and political commitment to social welfare are of paramount importance in Malaysia, South Korea and Tunisia, despite the differences between their political regimes and those of Canada and Norway. After the economic crisis that it faced in 1997, South Korea became committed to citizens' right to a decent standard of living, recognizing citizens' social rights and assuming collective responsibility through joint policies in the field of social security. Malaysia undertook to expand social services as part of its national agenda for development, with the emphasis on the principles of economic growth and equal distribution. In Tunisia, the political authority committed itself to a balance between economic liberalism and social solidarity; making available equal opportunities; achieving social welfare; establishing social justice; constructing an egalitarian and harmonious society; and combating exclusion and marginalization. All five countries have found in the courses of action, principles and values that they have adopted the necessary grounds on which to promote social cohesion and achieve social, political and economic stability and, in due course, develop national unity, legitimize the political system and preserve national peace.

2. *Strategies*

The experiences of the five countries in achieving social welfare for their populations demonstrate that they all sought to translate the commitments, principles and values that they had adopted into policies and programmes aimed at improving the quality of life of their citizens. In order to avoid social upheavals that might result from radical change, the five countries adopted a strategy of gradual reform, which demands deliberateness, patience and the gradual introduction of reforms to the economic and social sectors that affect the lives of citizens. They all applied the strategy of investment in human resources, which requires optimal utilization, orientation, training and preparation of human resources for participation in achieving high levels of economic growth.

That strategy was coupled with a similar one, known as the strategy for productive welfare, which endeavours to provide social services and benefits to citizens while motivating them, at the same time, to participate effectively in productive processes by pursuing their education, enrolling in orientation or training programmes or public projects, serving the local community and relinquishing dependence or sole reliance on public assistance. It should be noted that Malaysia, Norway and Tunisia have each created the institutional framework for the adoption of those two strategies by establishing a ministry, a supreme council, or a human resource planning body. South Korea has become known as the "country of productive welfare" which gives priority to labour.

It is clear that a strategy for integrating or closely associating economic policies with social policies was adopted in Malaysia and Norway, where the focus was on making a close connection between growth and equal distribution. It does not appear, however, that Canada or South Korea have adopted the same strategy: both prioritized economic over social policies.

Tunisia, while denying giving preference to economic matters over social matters¹ asserts at the same time that economic liberalization and institutional restructuring make it necessary to reformulate social policy by reducing Government redistribution. An economic approach was therefore adopted in dealing with social issues, rather than using a social approach to economic differences. There were calls for a rationalization of transfers and public expenditure, and a commercial approach was adopted to Government intervention, namely, objectives were controlled and social services privatized.²

The strategy of integrating economic policies with social policies is a basic element of a wider strategy, namely, the strategy of social development which was adopted by Norway and fashioned after the

¹ ESCWA, Social policies in Tunisia (E/ESCWA/SD/2002/5) (Arabic and French only), p. 42.

² Ibid., p. 29.

United Nations model for development. Besides integration between economic and social policies, that model includes such other elements as the interlinkage of economic growth and equal distribution, the role of the State as an organizer of and actor in economic and social matters, the productivity approach to welfare, investment in human resources, and extension of coverage, or what is known as comprehensive coverage. Malaysia and Norway have adopted the strategy of social development, while Tunisia has applied it partially, because coverage of all citizens is limited and priority has been given to economic rather than social matters. There is consequently a dependence on the commercial sector for the provision of social services.

In Canada, on the other hand, the new-liberal economic reforms which were applied in the last decade of the twentieth century have undermined comprehensive coverage, making benefits temporary, placing the focus on the economic approach to social matters, and diminishing the role of the State in the lives of citizens. South Korea does not seem concerned about comprehensive coverage or patterns of social development, because of the priority it gives to economic growth and participating forces in promoting productivity. Consequently, large segments of the population are excluded from the services of the social welfare State.

3. *Supportive factors*

The formulation of social policies and achievement of social welfare are influenced by the nature of the political system in place and the prevailing climate of freedom and democracy. Such policies normally crystallize through a process of balancing existing forces within society, including markets, entrepreneurs, the State, and the organizations and institutions of civil society. A review of the experiences of the five countries indicates that public support for State policies on the provision of welfare needs is essential if those policies are to succeed.

The level of public participation in Malaysia and Tunisia is often restricted and weak because of the nature of their political systems, which monopolize decisions over courses of action and priorities. Consequently, trade unions, pressure groups and businessmen have little influence on State options, in contrast to the situation in Canada and Norway, where the political authority enjoys widespread support from public opinion and where trade unions and pressure groups play a tremendous role in the process of formulating, implementing and monitoring public policies.

Norway stands apart from the other four countries in allowing extensive public participation and debate to all classes of the population and political and civil organizations, as well as trade unions, businessmen and the private sector. It also provides the mechanisms and necessary institutional frameworks, at central Government, local administration and district levels, with a view to activating participation in the processes of formulating and implementing public policies. Norway has created the job of ombudsman in order to better coordinate its policies with citizens' concerns. It also engages civil society organizations, together with the legislative authority, in the control and follow-up processes of policy implementation, for the purpose of securing transparency and accountability. Constant caution is maintained in order to guarantee optimal levels of administrative efficiency: planning is carried out by highly qualified and competent experts and technocrats.

Norway is only paralleled by Malaysia in that respect: the latter has adopted similar mechanisms to guarantee transparency, accountability and the competence of the persons involved in the formulation of social policies. Malaysia even surpassed Norway in establishing the requisite organizational frameworks for the implementation, control and follow-up of social policies, as well as coordination between those policies and other public policies.

Canada, in spite of the system of consultation and public participation in the formulation of social policies, has been able to mobilize public opinion in support of its new liberal course of action whereby the role of the State as the organizer of economic operations has been abandoned. On that basis, it exchanged the social contract for a collective union which has enabled it to apply "social restructuring", thereby diminishing its intervention in the social sphere.

South Korea has been able to secure support for its austere policies from an elite of civil servants and employers who are benefiting from developing economic growth, despite pressures from trade unions favouring greater social benefits.

All the countries considered favoured the conclusion of agreements between employers and employees on wage regulation with a view on the one hand to limiting inflation, and on the other hand, to reducing class differences and ensuring more equitable redistribution.

4. *The economy*

Keynes' macroeconomic theory is one of the most important justifications used by States to interfere in directing economies and reviewing involvement in social policies. In Malaysia and Norway, the State has an effective role in the supply and demand functions of the economy: it does not only organize and direct economic activities, but is also an employer and producer. It provides job opportunities for a large swathe of the population, including women, and various social services and benefits. Both countries depend on a mixed macroeconomic system, in contrast to the other three countries, which strive to maintain economic stability and set control standards to promote private investment and individual initiative.

With a view to increasing their competitiveness at the global level, the five countries have undertaken the same economic structural reforms enacting legislation and adopting the necessary labour policies. They aim to remove the barriers that impede economic growth and provide the requisite tools for its enhancement, with the emphasis, in the cases of Malaysia and Norway, on the equitable distribution of benefits to all categories of the population. That is in contrast to the experience of South Korea, which considers social policy a tool for economic growth, regardless of the fact that marginalized categories get only the crumbs of social benefits.

It is worth referring to the need for effective taxation systems to enhance the fiscal sustainability of social welfare. Such systems are ineffective in South Korea and declining in Canada as a result of tax deductions accorded to companies and institutions and heavier taxation of individuals.

5. *Constraints*

In providing social welfare, all five countries have had to deal with constraints, both with respect to the extent of coverage and the inclusion of such new social groupings as women, aging persons and unemployed persons. Most of them found themselves under pressure to reduce regional and class disparities among their citizens on one hand, and the demands of modernizing their societies on the other, which have entailed significant social and economic commitments. Experts and technocrats are influential in justifying the policies adopted by states for their citizens, their economies and social matters.

In Canada, Norway and South Korea, the increasing numbers of aging persons, changes in the structure of the family, the emergence of families supported by a single breadwinner and reduced fertility, have necessitated an expansion of social policies and more generous social benefits. Furthermore, all States, with the exception of South Korea, have committed themselves to reducing regional and class differences with the aim of integrating all social groups into the development process, thereby enhancing social cohesion, national unity and civil peace. Nevertheless, the exercise by experts and technocrats of their influence in Canada and South Korea has diminished the role of the State in the social sphere because the focus in both countries is on economic priorities.

As regards opportunities for women and reducing unemployment, Malaysia and Norway have adopted an active approach towards integrating marginalized persons into the labour force, using orientation and training programme, engagement in public labour projects, income support and incentives for self-employment. Malaysia, Norway and Tunisia have integrated women into the labour force and accorded them equal job opportunities and social assistance by way of legislation and enacting laws to ensure their

rights. Malaysia and Norway have been outstanding in that respect, as has Tunisia, which has established a ministry for women's affairs, formed a national committee to integrate women into the planning process, and created a special council for women and family matters.

C. FACTORS IMPEDING SOCIAL WELFARE

All five countries under review have encountered difficulties and challenges that have sometimes impeded their progress and social advancement, causing retraction, even regression, of the social welfare level attained in the past decades. The impediments that are common to the five countries fall into three broad categories.

The first group of factors concern the economy, and include the adoption of new, liberal policies, provision of incentives to foreign investment, liberalization of the economy, privatization, budget deficit, rationalization of expenditure or austerity measures, rationalization of the economy, prioritization of economic over social policies, tax evasion, the lack of social programme financial sustainability and disregard for basic impediments in the fight against unemployment.

The second group of impediments common to the five countries comprises factors that reduce or restructure social benefits in order to enable States to face the challenges of globalization. Such impediments have been a factor in the reduction of trade union influence, the erosion of support for social welfare policies, the emergence of strong opposition from employers, and weakened resistance to efforts to reduce social service programmes. The situation has been exacerbated by State failure to respond to citizens' demands, lack of transparency and accountability in respect of policy implementation, ineffective implementation and, in some cases, the legitimization of the existing regime.

The third group of common impediments concerns the quality of services, including the approach to the distribution of social benefits to citizens, the view that such benefits are temporary and are linked to certain conditions. Beneficiaries must be employed and are urged to be self-reliant and seek services from the open market.

1. *The economy*

The welfare state barely became established in industrialized countries before their economies were confronted with the pressures of globalization and the liberalization of markets which obliged them to take measures and adopt new policies aimed at reducing public expenditure, minimizing State interference in economic and social matters, liberating and privatizing the economy and providing incentives for foreign investment, thereby restricting growth and welfare state policies and programmes and rolling back social and economic gains. While that situation has affected all the States under consideration, the impact has been more severe and inauspicious in developing countries that were struggling to establish and develop social welfare systems. Developing countries are currently confronted by two types of challenge, the first being to develop their economies in the framework of the requirements of globalization and its new liberal policies, while the second type is to provide minimum social protection against the negative consequences of global competition.

That situation is clearly visible in Tunisia, which had just begun to implement redistribution and poverty eradication policies when it was obliged under free trade and European partnership agreements to reconsider those policies and reduce the role of the State to one of guidance, encouragement and incentive provision. The intention was to boost the competitiveness of its economy. However, social benefits were threatened and job opportunities cut without any compensation from the State. In spite of the economic crisis that beleaguered the countries of eastern Asia in 1997, both Malaysia and South Korea were able, albeit for different reasons, to successfully overcome challenges and preserve reasonable levels of social welfare for their citizens.

Norway has also succeeded in preserving both welfare state benefits and the productivity and competitiveness of its economy. In Canada, on the other hand, the impact of the North American Free Trade Agreement (NAFTA) led to a reduction in the role of the State in economic and social domains in order to preserve labour flexibility and confront foreign competition. Public budget austerity measures had to be adopted and limitations placed on State financing for existing or future social programmes.

In the situation described above, all five countries adopted the policy of liberalizing and privatizing the economy and gave incentives to foreign investment. Restrictions and economic barriers to foreign investment were lifted and austerity measures were taken to limit the public budget deficit. Canada, South Korea and Tunisia addressed economic issues first, giving them priority over social issues. Social issues were tackled by economists, which adversely affected equitable redistribution, the minimization of regional differences, combating poverty, the continuity of social assurance funds and general services. With respect to taxation systems and financial sustainability, pressures were felt equally in Canada, South Korea and Tunisia, all of which rationalized transfers and social expenditure, while making tax reforms to secure the continuity of some basic services, and transferred responsibility for other services to the private sector.

2. Constraints

Social policies and efforts to achieve social welfare are affected not only by international considerations and pressures, but also by such prevailing internal political conditions as the relationship between the State and citizens and State concern for citizens' problems and demands, the nature of trade unions and interest groups and their relationship with the State, the capacity of the regime to gain legitimacy, and the level of transparency and accountability of its programmes and projects.

The experience of the five social welfare countries shows that the social policies of Malaysia and Tunisia are least affected by those factors, because the nature of their political regimes, which restrict the extent to which citizens may organize themselves and exert pressure on the State to respond to their demands and concerns. The State has absolute authority to formulate development plans that reflect the vision of those in authority. If trade unions are permitted, and if some public participation is tolerated, it is usually at the discretion of the State and under its direct or indirect supervision. Such bodies do not seem to have much effect on public policy, and the State consequently enjoys great immunity to their demands.

Conversely, Norway is greatly concerned about the opinions and demands of its citizens and offers them the necessary mechanisms to mobilize and get involved in decision-making processes. Canada, despite its well-established democratic practices, resembles South Korea in the weakness of its response to trade union demands and lack of interest in citizens' opinions and concerns. It undertakes unpopular social reforms, taking advantage of such inappropriate political conditions as the attempt of the Québec region to secede from the Dominion, in order to justify service reduction and the restructuring of social policy. In acting thus, it undermines the ability of trade unions to resist reduction measures and foments antipathy between interest groups, while favouring the demands of companies and employers to promote their stake in international trade. Consequently, the State helps to increase company profits by reducing taxation, thereby undermining in the long run the influence of the forces that support the social welfare state and restricting citizens' demands, and even their social rights.

3. Service quality

In the face of pressures that social welfare States are facing as a result of the lifting of economic barriers to foreign investment and their earnest attempts to secure competitiveness for their products and work force, they have adopted new approaches to the provision of social services and public assistance for their citizens. Those approaches are less comprehensive and less generous than in the past. They are residual services offered only in cases of extreme necessity and when the individual is incapable of providing his/her needs through other means. They are also temporary, lasting only until an alternative is found, and are restricted by stringent conditions that allow only those eligible to benefit from them, on condition that they are employed.

Some States prefer to privatize some of their social services, and in some instances the social insurance sector, by encouraging the private sector to provide health services, education and housing. That is the case in Canada, South Korea and Tunisia and, to a lesser extent, in Malaysia. Norway, notwithstanding its adherence to the principle of comprehensive coverage for social services, is applying more restrictive conditions for benefiting from those services. It encourages, even obliges, beneficiaries to seek employment or rejoin the work force when they are able to do so. Hence, most of the five countries have rationalized expenditure on social services and have laid down strict conditions for benefiting there from. They encourage their citizens to depend on themselves and on their families.

The experiences of the five countries reveal that the structure and functions of the social welfare system are no longer the monopoly of the State, as was the case in the past few decades. Many amendments have taken place in internal societal conditions and in world economic pressures that affect all countries, and must be taken into consideration when social policies are formulated.

Factors conducive to social welfare	Country				
	Tunisia	Malaysia	Norway	South Korea	Canada
General trends, principles and values					
Vision and political commitment	√	√	√	√	---√
Social rights	√	√	√	---	---√
Development of national unity	√	√	√	√	---√
Collective responsibility	√	√	√	---	√---
Stability/cohesion/legitimacy	√	√	√	√	---√
Strategies					
Gradual reform	√	√	√	---	√
Integration of policies	---√	√	√	---	√---
Investment in human capital	√	√	√	√	√
Comprehensive coverage	---	√	√	---	---√
Pattern of social development	√	√	√	---	---
Productive welfare	√	√	√	√	√
Supportive factors					
Favourable public opinion		√---	√	√---	√---
Big role for trade unions	√	√---	√	√---	√---
Big role for pressure groups		√---	√	√---	√---
Government supportive of citizens' demands		√	√	√---	√---
Public participation	√	√	√	√---	√---
Joint ventures	√	√	√	√	√
Planning/efficient administration	√	√	√	√---	---√
Accountability/transparency		√	√	---	√
The economy					
Effective role of State	√	√	√	---√	---√
Strong economic growth	√	√	√	√	---√
High taxation			√	---	---√
Structural reform	√	√	√	√	---√
Mixed macro-economics		√		---	---√
Constraints					
Demographic characteristics					
Reduction of regional differences	√	√	√	√	√
Influence of experts' and the bureaucracy	√	√		√	---√
Requirements for modernization	√	√	√	√	---√
The empowerment of women	√	√	√		---√
Reduction of unemployment	√	√	√	√	---√

Factors impeding social welfare	Country				
	Tunisia	Malaysia	Norway	South Korea	Canada
The economy					
New liberal policies	√	√	√	√	√
Incentives for foreign investment	√	√	√	√	√
Liberalization and privatization of the economy	√	√	√	√	√
Budget deficit/austerity/rationalization	√	√		√	√
Rationalization of the economy	√			√	√
Lack of concern for structural barriers	√			√	√
Prioritization of economic policies	√			---	√
Tax evasion				√	√
Lack of financial sustainability	√			√	√
Disconnecting factors					
Erosion of trade union influence	---	---		---	---
Weakness of support				---	---
Strong influence of employers				√	√
Weak resistance to reduction efforts				√	√
Lack of State concern for citizens' opinions	√---			√	√
State immunity against Interest groups				√	√
Ineffective application of programmes				√	
Legitimacy for the regime				√	√
Lack of transparency and accountability	√			---	√
Quality of services					
Vestigial approach	√			√	√
Temporary social benefits	√		√	---	√
Market services	√	√		---	√
Restriction of eligibility for benefits	√		√	√	√
Employment as a pre-condition for benefits	√	√	√	√	√
Self-reliance	√		√	√	√

√: existing; ---: non-existent; ---√ was non-existent but began to appear; √--- existed but began to disappear.

II. GUIDELINES FOR SOCIAL POLICY FORMULATION IN ARAB COUNTRIES

The concept of social policy dealt with in this paper is not restricted to remedial measures for correcting or dealing with basic needs, or providing social safety nets for marginalized groups of the population. It includes all national strategies adopted by a society in order to confront the challenges of social development and advancement to higher levels of social welfare. To attain those goals, two basic conditions must be met within a working agenda, the first being participation in decision-making, and the involvement of all relevant categories of society in planning, drafting, implementation, follow-up and evaluation, and in the allocation of resources and mobilization of the requisite efforts. All those operations must be well coordinated. The second condition is the integration of development policies, with a view to rendering decisions more effective and avoiding errors and contradictions, as well as enhancing collaboration through mechanisms and coordination systems and cooperation between the various ministries, administrations and concerned bodies in a specific sector, on the one hand, and between that sector and other relevant sectors on the other hand.

The guidelines focus on formulating social policies within a general framework that can be adopted by social policymakers and enable them to develop and enhance the capacity and skills of human resources, and draft and formulate effective plans and development policies that will limit the negative impact of globalization.

The fields in which the guidelines can be applied include the labour, education, health, environment, and insurance sectors, social protection systems and housing and other services sectors.

A. NOTES ON THE USE OF THE GUIDELINES

(a) The general framework of the guidelines set forth in this paper should be considered in its entirety: no component should be isolated, because all components are interrelated;

(b) The guidelines concern operations related to the formulation of social policy and do not deal with the programmes content of the various social policy sectors;

(c) The general framework of the guidelines is not an immutable final product, and can not be applied to all societies in the same way. It is a model, the components of which are influenced by the historical circumstances, culture and values peculiar to each society, and political, economic and social circumstances;

(d) The main questions regarding the acquisition of skills for the formulation of social policy focus first on each of the guidelines and spell out the measures adopted in the society under consideration before comparing those measures with the proposed guidelines. The measures are then analysed, interpreted and evaluated. Lastly, proposals are made for adjusting social policy formulation in the light of the guidelines.

B. HISTORICAL DEVELOPMENT

The history of a society not only constitutes the collective memory of its citizens, but determines their current status and the nature of the challenges that confront them. They are bound to resort to certain mechanisms and strategies that enable them to attain the goals for which they strive. Social policymakers must take into consideration the historical stages that influenced the development of social care and the inherent cultural, political, economic and social factors and circumstances, as well as the circumstances, methods and strategies that have been followed to provide for people's needs during each time period.

Those considerations influence the current status of social care at the intellectual or ideological level, or at the level of existing institutions and organizations. The problems or issues that have arisen over time and left their impact on current conditions should be addressed, as should ways of dealing with them at each

stage and determining how they relate to existing aspects of care. In light of those facts, legislation or laws are enacted relating to certain problems, the way they evolve or may be amended, their strong and weak points and their impact on current social conditions. Any social sector, including education, health and housing, may be considered, and the development of special services may be analysed over a period of time, in order to determine its general guiding principles, the nature of the problems that arise and how they affect current conditions in the sector as well as regulatory legislation and laws.

C. GLOBALIZATION

In the context of the increasing opening up of societies to each other through the information communication technology revolution and the impact of that revolution on ambitions, hopes and expectations and, consequently, on the formulation of social policies, it is clearly important to liberalize the economies of developing countries, remove barriers to the free movement of capital and liberalize foreign trade.

Many developing countries have adopted capitalist structural adjustment strategies, with a view to preparing their economies for entry into the age of globalization. However, that approach has had a tangible negative effect on the sectors of the population which are most vulnerable. The Governments of those countries have had to formulate policies and adopt programmes to compensate those sectors for the crises that have befallen them, because of competition, unemployment, layoffs and the flooding of the local market with cheap products, and because the State has lost many financial resources, for which it has found no substitute. Such losses have prompted them to adopt financial austerity policies on conditions imposed by such international organizations and bodies as the World Bank, the International Monetary Fund and the World Trade Organization, and under bilateral and regional agreements.

The experience of Egypt reflects the impact of the structural damage that the Egyptian economy has sustained since the adoption of the policy of economic openness and, in particular, the effect on the living conditions of the poorer echelons of the working class, namely, agricultural and industrial workers, large numbers of whom have been rendered unemployed by that policy, either because job opportunities have been blocked or because they have been driven out of the employment market by redundancy and early retirement policies. Such policies have contributed to the increase in levels of poverty, combined with the tangible decline in wages and increase in rates of inflation, which have added to the increasing number of poor people in Egypt.³

It is therefore imperative for social policymakers to consider a group of issues which, if neglected, could aggravate the poverty, deprivation and marginalization of large numbers of people in developing countries. Issues that must be given priority include the identification of the mechanisms which Governments should use in dealing and negotiating with the forces of globalization, the reduction of the intensity of the pressures and conditions of those forces, the maximization of the benefits offered by the liberalization of internal markets, the relaxation of restrictions imposed on foreign investment, expansion of the employment market and the enhanced competitiveness of the local market.

Social policymakers must also address the issue of protecting productive sectors and the national workforce from competition, and issues relating to such social protection systems as social security, unemployment benefits, compensation for accidents in the work place, family allowances and other social support. Privatization policies in the fields of education, health and other social fields must also be addressed, because of their impact on overall economic policy and on marginalized categories, which become more exposed with globalization.

D. VISION AND POLITICAL COMMITMENT

The levels of social development that many industrialized societies have achieved were not solely the product of certain historical circumstances or of their citizens' ability to choose the best way to attain their

³ ESCWA, *Social policies in Egypt* (Arabic only).

goals and aspirations, but were the outcome of the farsighted vision and political commitment of their ruling classes in determining approaches for successfully dealing with challenges and tackling problems.

Social policymakers must recognize the quality of the vision and political commitment needed for providing citizens with social welfare, the forces at work which crystallize that vision and how the vision should be formulated and expressed and when it should be made public. They must also be aware of the extent to which that vision is committed to issues of public interest, and the nature of those issues, and find the appropriate mechanisms to convert that commitment into policies and specific programmes in various aspects of life and in the social and economic sectors.

It is also necessary to monitor the special approach or strategy adopted in order to verify application of the vision and compliance with its terms, and to measure its flexibility or adjustability. The strategy for structural adjustment of the Egyptian economy is a good example of vision and political commitment to the principles of economic liberalization and the lifting of economic barriers, and their effect on the contraction or cancellation of protectionism of basic consumer goods and on the living conditions of marginalized groups.

E. GENERAL TRENDS AND VALUES

Social policies are defined in terms of values and prevailing trends in society over a specific period of time. In democratic societies, they are often expressed in electoral programmes adopted by candidates and political parties who seek to implement them upon election, through decisions they take in various domains. In Egyptian society the ideological commitments of the ruling class determine the nature of the policies adopted.

At the time of the July 1952 revolution, the ideology of the ruling class favoured socialism and social justice, which shaped the social strategies and policies that were adopted by successive Governments, not only in respect of economic reforms, that included nationalization and expansion of the public sector at the expense of individual property, but also in respect of social policy, including free education and equality. However, the current regime is pursuing a course of capitalist structural readjustment and is giving free rein to the private sector with regard to investment. As a result, opportunities for the State to increase its financial resources, orient people, offer social opportunities and provide for basic needs have been reduced. Most affected have been the categories and classes to the development and social welfare of which the July 1952 revolution committed itself.⁴

It is therefore useful for social policymakers to identify the ideological trends that influence a regime's decisions, and clarify the values and general principles that the ruling class seeks to achieve, given their impact on the nature of social policy and the comprehensiveness of social programmes aimed at achieving sustainable social development. It is also necessary to identify the mechanisms and means that are used in order to ascertain compliance with those and translate them into procedural steps and programmes for implementation. The flexibility of principles and approaches in the light of local, regional and international changes must also be ascertained. It would be helpful to consider the above example, which clearly shows the effect of the new liberal thinking which calls for market liberalization and removal of barriers thereto on the policy of reducing protectionist measures on consumer goods in Egypt; how to implement that policy; the extent of the influence of local and international conditions; and the mechanisms adopted for implementation and amendment and reduction of its negative effects.

⁴ Ibid.

F. MODELS FOR FORMULATING SOCIAL POLICIES

There are many models for formulating social policy, which vary according to political, economic, social and cultural circumstances in different societies. One or more models may be used in a certain society at various times. Public policy formulation literature refers to three main models, namely, the rational scientific model; the elite capture model; and the balanced interests model. Set forth below is a review of the characteristics of each model, with an indication of implementation conditions and elements, and supportive or impeding factors in success.

1. *The rational scientific model*

Some societies depend on the formulation of their public policies on the rational scientific model to ensure that prevailing social problems are tackled objectively and measures capable of overcoming or limiting them are adopted. That model requires scientific research centres to undertake studies of the social, economic and political issues and problems, with a view to providing scientific and accurate knowledge of those problems. The model also requires knowledge of the preferences and values of society and their relative importance; alternative policies with the same objectives must be designed in the full awareness of the results of each scenario. Furthermore, the model must evaluate the capacity of each alternative to achieve the desired results, before choosing the most effective.

Conditions for the model include the availability of a highly qualified organizing structure capable of giving accurate and objective data on the particularities of society, its changing circumstances and the nature of its values, in order to enable social policymakers to make rational decisions. It should be noted in that regard that the model can be used simultaneously with the other two models. Preference for one model over another usually depends on the nature of the political regime and the totality of its decisions and priorities.

For application of the model, strategic papers on combating poverty should be prepared by independent experts and researchers studying the problem, its implications, dimensions and the people affected by it, on the basis of data compiled systematically in the field. Alternatives and solutions for dealing with the problem and its repercussions should then be identified, taking into consideration the prevailing values of the society in question. The most effective alternative should be selected in an objective and unbiased fashion, with no input from interested and influential parties, and on the basis of a cost/return evaluation for each alternative.

2. *The elite capture model*

The decisions and choices of the elite prevail in societies where there are no democratic institutions or mechanisms for electing rulers who can be held accountable. Decisions are taken at the top and there is no popular participation which, at best, is merely the expression of values and choices of the elite who dictate their views to the masses.

The elite capture model is the prevailing model in public policy formulation in the Arab region. Any participation by popular parties and organizations is limited and restricted. Therefore, public decisions rarely express the interests, ambitions and desires of the people. The interests of politically and economically influential people may coincide with those decisions, thereby enhancing the power of the ruling class and decreasing the focus on social policies targeting poverty, inequality, illiteracy and marginalization and making them less responsive to issues of common public concern.

Social policymakers should give due importance to the matter of identifying the members of the influential elite who make decisions, and should familiarize themselves with their roles, positions and priorities and seek to identify their alternative options. They should also familiarize themselves with their influence in decision-making processes, the parties with whom they deal or whom they represent, as well as their relationship with organizations and associations in local and international civil society, and ways and

means of ensuring cooperation and coordination between them. It is very important to monitor the mechanisms used by members of the elite in formulating their decisions or influencing the decisions of others. The resources or data that they use in order to reach their goals should also be monitored.

3. *The balanced interests model*

This model depends on well-organized interest groups that influence Government decisions by seeking to present a set of demands agreed upon by their members. There may be more than one group, whose interests may or may not coincide with those of other groups, which might lead to a struggle or competition, obliging decision makers to balance all those demands. That is usually done on the basis of the relative influence of each group.

Interest groups are made up of individuals of a society and its non-governmental civil organizations, including trade unions, vocational and scientific unions, charitable institutions and domestic associations, which often undertake the defence of those involved in their activities or, on a larger scale, in general public activities, by addressing specific problems or issues. Among the other functions of those groups, through which is determined their influence on general policies, is the mobilization of people and resources. The capacities and effectiveness of interest groups in influencing public policies vary in accordance with the political regime and the cultural environment of the society in question, and because of external pressures whose effect has become greater with the requirements of globalization and the conditions of its international organizations.

Interest groups also include individuals and a number of State bureaucratic administrations, political parties, syndicates of employers in the productive sectors, persons working in the mass media and journalists, who usually defend the public interest and issues, and seek to influence decisions of concern to the public.

Albeit the role of domestic organizations in Egypt has grown in recent years, as did the awareness of those working and volunteering in them, and in spite of the favourable political and social atmosphere that enables them to play an effective role in the development process, domestic organizations are subject to Government supervision, guidance and control by virtue of a law enacted in 1964. That law imposes controls before and after the creation of associations, and confirms the right to dissolve or merge associations without court permission. According to that law, regional and special unions were created in which the Ministry of Insurance and Social Affairs, and other ministries were represented. A merger took place between the unions and that Ministry which greatly favoured the Ministry. In 1994, the Government changed three articles of the law with the aim of barring the civil servants of the Ministry of Social Affairs and the Minister from heading the General Union of Associations and Civic Foundations. A president and a council were appointed by the President of the Republic.⁵

Citizens' participation in managing local affairs is limited because of capacity constraints, dependence on the Government to devise, select and finance projects, and lack of confidence in the local administration at every level, because it is part of the State authority.

A number of problems face the work of trade unions in Egypt and impede their participation in the development process. Such problems account for the dwindling number of participants and, in particular, women, in trade union activities. There are other problems in the relationship between trade unions and employers, the lack of data, the multitude of labour-related legislation and its tendency to change constantly, all of which contribute to the inefficiency of trade unions and their incapacity to participate in the development process effectively.

⁵ Ibid.

In sum, the process of decision-making in Egypt and the administration of public and Government affairs face numerous challenges, the most important of which are the following:

(a) The almost total absence of any effective role for political parties in decision-making: their influence is limited and has little impact on the vast majority of laws and decisions that the ruling party presents to the Council;

(b) Political parties have little hope of acquiring power in the foreseeable future, for legal reasons related to the electoral process;

(c) The president of the republic has arrogated to himself all powers, regardless of the fact that the constitution stipulates a separation of powers. Consequently, there is overlapping and confusion between the legislative and executive authorities;

(d) The administration in Egypt is excessively bureaucratic, which hinders the exercise of local government;

(e) Women's participation in politics is symbolic at all levels, including within political parties, the public legislative councils, the People's Council and the local level;

(f) Legal, financial, security and administrative impediments and the lack of experience of domestic associations caused by the contraction of the State role in supporting social policies. All of the above have reduced the role of domestic associations in social policies and development projects: their activities are mainly in the area of benevolent services.

Public policymakers must be aware of the roles of all interest groups and the mechanisms that are used to mobilize and activate public opinion; the mechanisms used for cooperation and coordination between them; the available technical and human resources that are capable of influencing public decisions and monitoring their implementation and evaluation. Special attention should be accorded to the methods and mechanisms used by interest groups for settling disputes, overcoming conflicts and undertaking negotiations.

Attention should also be given to the role of legislation and public laws in setting standards and controls that regulate or restrict the work of those groups, and which either promote or diminish the effectiveness of social policies in meeting the needs and actual demands of the majority of citizens.

G. THE SOCIAL DEVELOPMENT APPROACH

The social development approach deals with social policy as part of a wider strategy for reform, including economic policies and employment which, together with such social issues as poverty, inequality and social justice, are interconnected, complementary and inter-supportive.

The approach is of special importance for the countries of the ESCWA region, because most of those countries address social policy issues from the perspective of benevolent action and give precedence to matters concerning macroeconomics and politics. That perspective is manifest in the framework of social activities carried out in the sector, independently of the macroeconomic system.

Some countries in the region have privatized assets, waived direct control of the consumer and services market, reduced support, given priority to market demand for social services, and opened some sectors to economic competition. That has obliged those countries to substitute support programmes for safety nets with more specific objectives, which has led to a contraction of general support programmes, that have become less comprehensive and narrower than previously, and has increased unemployment in the unofficial sector and the dependence of people on special arrangements by family and charity.

In this domain, the Egyptian experience is the best example of that approach and its implications. The ESCWA report on its social policies⁶ points out that, as a result of the strategy of readjustment adopted by the State in the 1990s and the free rein which was given to the private sector in respect of investment, State authority and institutions lost many of their financial resources. As a result, their ability to empower the population, provide social opportunities for it and meet its basic needs was reduced. Many social policies were stripped of such developmental aspects as education, the fair distribution of opportunities, the improvement of wages and promotion of health care. Social work was thus constrained and limited to dealing with social problems and providing support for the destitute and needy and persons with special needs. Educational policy focused on educating as many people as possible, but the quality of that education suffered and was randomly distributed and taken up. Health care policies addressed certain illnesses and the private sector was given free rein to invest in health care and education. Bureaucracy prevailed and there was no transparency on accountability for the performance of many governmental institutions. The report attributed those consequences to disregard for the social constituent of development, considering it complementary to, or perhaps a partial component of the sustainability of development; confining social work to benevolent services; the fragmentation and lack of complementarity of social policies; and the view of social services as State grants rather than human rights.

Against that background, where only the economic dimension of development is perceived, current development practices in the countries of the region must be reconsidered, in order to gain a different perspective of the development process, where the economic and social dimensions are complementary. The role of the State should not be confined to organizing economic and social operations, but should include ensuring a balance between organizing such operations and intervening in them in order to minimize social hazards and empower citizens. Such empowerment can be achieved by involving citizens directly in the development process by providing job opportunities and channelling foreign investment in the best interest of the majority of citizens, without marginalizing or excluding them. Investment in human resources should not be limited to providing education and training, but include measures that accommodate the outcome of those operations to market needs and serious and effective encouragement for the absorption by the market of those resources.

H. THE COMPETENCE OF THE PUBLIC ADMINISTRATION

Notwithstanding the continuous contraction in the role of the State in economic and social developmental processes, as intended by structural economic reform measures in the mid-1990s, the concept of good governance was added to the development agenda, after it had become clear that neither markets nor democracy were able to function successfully, if at all, unless Governments are capable of formulating and implementing sound public policies, managing resources equitably, transparently and competently and in effective response to social security requirements and the economic demands of citizens.⁷

For a successful development process, it is essential to have capable and competent people to formulate, implement, supervise, follow-up and effectively evaluate that process, and those capacities and skills must be continually upgraded. At the same time, the necessary formulae or organizational structures must be devised for the effective and efficient design and implementation of policies and the necessary financial resources must be secured. Special mechanisms must also be found for optimizing use of those resources, and a high degree of accountability and transparency must be maintained.

Public administration in most Arab countries suffers from inadequately qualified human resources and the lack of accountability or transparency. Favouritism and nepotism are rife in respect of recruitment, promotion, the awarding of contracts and procurement, and even in the provisions to citizens of social

⁶ Abdel-Moty, Abdel Basset 2007, draft.

⁷ ESCWA, Towards Integrated Social Policies in Arab Countries: Framework and Comparative Analysis (E/ESCWA/SDD/2005/4).

services and benefits. That is caused by the lack or non-application of standards of efficiency and effectiveness and the lack of standards for success or failure.

Civil servants must be ready to react responsibly to the needs and desires of citizens, and listen to their complaints about decisions taken at the central or local administration levels. The efficiency of the administration affects not only the outcome of development programmes, but also public participation in the development process, as is illustrated by the Egyptian national programme for rural development *Shurouk*. The ESCWA report on social policies in Egypt indicates that the problems impeding development efforts in the framework of that programme may be summarized as insufficient education, training, preparation and reorientation of administrative and management staff. There were also insufficient Government funds to attain the required levels of development, and the programme was considered to be in competition with the rural development programmes of other ministries. Furthermore, citizens had insufficient trust in local administration at all levels, which they considered to be part of the Government. As a result, citizens do not participate in local development projects.

I. THE PLANNING PROCESS

Social policy planning is a complex process which is crucial to the success of community development efforts. Sectors often overlap and actors exert political, economic and social pressure and influence. The process is not undertaken exclusively by public sector managers or experts, because other organizations, syndicates, trade unions, and political parties of the domestic sector take part in it, as do the mass media, research centres, stakeholders and members of the productive sectors of industry, commerce and services. The political, social and cultural environment has a marked influence as does the historical background of a society, on specifying the mechanisms for interaction between all those parties. The balanced interests model is most common in democratic societies, albeit to varying degrees, while in totalitarian regimes, the elite capture model dominates.

Social policy planning and implementation pass through successive stages which appear, at first, to be arranged in a circular fashion. That arrangement is experimental: any stage may be used as the first step in the planning process. That process comprises nine stages, including the selection and identification of the problem or issue; choice and/or identification of priorities to be included on the agenda; identification and formulation of purpose and objectives; determination of alternatives and evaluation of relative yield of each; and implementation, follow-up and evaluation of the alternative selected.

In order to illustrate the social policy planning stages detailed above, we shall consider hypothetical examples of two issues in Egyptian society. The first concerns workers repatriated from the Gulf after the invasion of Kuwait, while the second is the eradication of poverty. The implementation stages of social policy planning in respect of those two issues do not reflect the actual situation, although in respect of poverty, some stages closely resemble the actual situation.

1. *The case of repatriated workers from the Gulf*

During the invasion of Kuwait in 1990, the Egyptian media gave extensive coverage to the problems of tens of thousands of Egyptian families returning from Kuwait with no savings, whose bread-winners had lost their jobs and income. The cause of those people was taken up by members of local councils and some non-governmental organizations and associations, which mobilized popular efforts to pressure members of the People's Council to include the issue on the agenda of its forthcoming session. Help from a research centre was sought in preparing detailed demographic, economic and social data on those families, in order to determine their actual needs.

Notwithstanding the restrictions imposed on the heads of those families in respect of organizing demonstrations, representatives were able to meet some members of parliament who promised to raise the issue at one of their meetings. The study prepared by the research centre was annexed to the petition of the

interested parties and presented to the relevant parliamentary committees, for their study and recommendations. However, because that case was presented at the same time as other cases which were supported by politicians and influential people, it was considered of low priority, because of the low profile of the parties presenting it and the limited availability of financial resources.

That case demonstrates how many civil society actors can work together to raise public awareness of the importance of an issue. However, because of the lack of influence of its champions, that case was not taken up by decision makers. Other, more influential, forces were able to ensure that priority was given to other cases, of interest to them. As a result, those forces obtained funding, despite the scarcity of financial resources.

The first stage of that case involved identifying and defining the problem using the balanced interests model. However, at the stage in which the issues and related priorities were identified, there was a collision with the elite capture model, which favoured the interests of the few to the disadvantage of collective interests. Such a situation usually leads to the formulation of social policies for which there is no accountability.

2. The eradication of poverty

The authorities gave the issue of the eradication of poverty priority over other social issues in order to limit the side effects of the economic reform programme and structural adjustment, which included increased unemployment, especially among young people, increased poverty, high inflation rates and lower wages, which swelled the numbers of poor persons in Egypt. The Social Development Fund was created in 1991 as a joint initiative of the Egyptian Government, the World Bank and the United Nations Development Programme for the purpose of developing human resources and accelerating economic development, in addition to creating a social safety net designed to minimize the negative effects of the economic reform programme by neutralizing poverty and limiting unemployment.

That example demonstrates the impact of the elite capture model, not only at the stage of identifying poverty as a case worthy of attention, but also at subsequent stages, beginning with the prioritization of the case, its inclusion on the agenda, specification of the purposes and expected objectives of combating poverty and the selection of the most desirable. Programmes must be designed, a budget must be prepared, and the necessary human resources for implementation must be secured. The final stage is evaluation. The scientific and rational model can be of help at some stages of the planning process, particularly at the stage of identifying a problem and its implications, and give decisions an objective character.

The determination of the elite to protect their interests usually outweighs scientifically inspired decisions, the effect of which fades in that context. That is clearly visible in the selection by the State of social funds as a tool to promote economic development, rather than the adoption of more radical approaches aimed at eradicating poverty at source.

J. INVESTMENT IN HUMAN RESOURCES

Growing interest in the role of human resources has made it central in analysing social development. That is confirmed by the theories which consider that the relationships between growth and efficiency on the one hand, and redistribution and equality on the other hand, are positive and self-enhancing. In the past few years it has been stressed that poverty cannot be considered a function of income; all aspects of poverty must be considered if it is to be eradicated and social welfare achieved. Public expenditure must not be viewed merely as public consumption, but as a factor in economic and human development.⁸ Thus, development indices are no longer measured solely by the increase of an individual's share of gross domestic product or

⁸ ESCWA, *Towards Integrated Social Development Policies: A Conceptual Analysis*. Social Policy Series, No. 8 (E/ESCWA/SDD/2003/16).

by consumption, or by an improvement in health care services and education, but increased capabilities are considered the main criterion for human development.

The characteristics and size of and challenges confronting employment emerge as the most important factors in social development, that must be given due attention by social policy planners. Consideration should also be given to educational systems, orientation programmes and training and mechanisms for linking those systems to the needs of the labour market. Nevertheless, in the light of foreign investment flows, the liberalization of the economy, the cancellation of tariffs and taxes, the conclusion of international and regional agreements and the subsequent attempt by national Governments to reduce care services to their lowest levels, in addition to so-called social dumping, aimed at making the country more attractive to foreign investment, it has become essential for social policy designers to propose to the State alternative laws and legislation designed to intervene and buttress national employment against the challenges of globalization. Not only must selective safety nets be provided, but mechanisms and far-reaching controls capable of protecting citizens from layoffs, early retirement, reduction of wages and inflation must be put in place. All of the foregoing exacerbate the marginalization of citizens, denying them participation in economic activity and barring them from attaining the social conditions and resources that would enable them to express themselves independently about their interests, within the prevailing framework of values and institutions.

K. FINANCIAL SUSTAINABILITY

Financial resources have a tangible impact on the choice of solutions for social problems and preference for one solution over another. Limited financial resources create competition from those who seek funds for different issues and projects. Decision makers then find themselves compelled to defer some cases or avoid addressing more than one case at a time. Most social policies, however, require sustained financial resources and consistent endeavours to develop them and increase their volume, if the desired objectives are to be achieved efficiently and effectively.

The social security fund is one of the examples that may be cited in that regard, because its financial resources and their sustainability have a great impact on its performance and continuity. Payment of pensions requires cooperation between employees, employers and the State. State resources depend on the effectiveness of the taxation system that it adopts, and its impact on the general budget. All of which is to a large extent influenced by the pattern of economic growth and its ability to confront and overcome crises effectively. The sound investment of resources in such secure assets as real estate and productive projects is reflected in the capacities of the social security fund to honour its financial obligations in the medium- and long-terms, with due consideration for future demographic trends, including a rise in birth rates, higher life expectancy and the emigration of young people.

It should be noted that it is important to enhance the traditional collaboration and solidarity between members of the same family, and between families and the local community and its organizations. Almsgiving is a good example of a system that compensates for the insufficiency of social coverage of some aspects of official care. Squandering of the public budget, the financial burdens of the inflated Government bureaucracy, the corruption and favouritism that prevail in that bureaucracy, and lack of transparency and accountability all lead to the thwarting of every noble goal of any social policy.

REFERENCES

- Economic and Social Commission for Western Asia. Social Policies in Norway. *Social Policies Series, No. 3*, United Nations, New York, 2001. E/ESCWA/SD/2001/10.
- _____. Social Policies in Canada: A Model for Development. *Social Policies Series, No. 1*, United Nations, New York, 2002. E/ESCWA/SD/2001/9.
- _____. Social Policies in Malaysia. *Social Policies Series, No. 4*, United Nations, New York, 2003. E/ESCWA/SDD/2003/1.
- _____. Transforming the Developmental Welfare State in the Republic of Korea. *Social Policies Series, No. 6*. United Nations, New York, 2003. E/ESCWA/SDD/2003/9.
- _____. Towards Integrated Social Development Policies: A Conceptual Analysis. *Social Policy Series, No. 8* (E/ESCWA/SDD/2003/16).
- _____. Towards Integrated Social Policies in Arab Countries: Framework and Comparative Analysis, United Nations, New York 2005. E/ESCWA/SDD/2005/4.