



Humboldt University of Berlin

**Social Policy, Gender and Care**

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# The Ascendance of Social Policy

## ■ Late 1980s social costs of adjustment

- Popular discontent with social costs of stabilization and structural adjustment
- 'Adjustment with a Human Face' 1987
- Work on 'human capital' within the World Bank
- Response: targeting and 'safety nets'

## ■ Financial crises of the 1990s and social protection

- Asian financial crisis 1997
- G7 requests WB to formulate 'social principles'
- Response: Social Risk Management; WDR 2000/1 *Attacking Poverty*

## ■ 'Post-Washington Consensus': Rediscovering 'the social'

- Social protection, 'good governance', participation
- Global focus on poverty PRSPs and the MDGs
- 'Embedded liberalism'



# Post-Neoliberalism: A new welfare consensus?

## ■ OECD and EU interest in care (e.g. *Babies and Bosses* series)

- Need to get women into the labour force (social contributions, taxes)
- Concerns about low fertility (pension system)
- De-familialization strategy: i.e. shift care out of the family

## ■ “Developmental Social Policy”

- Also referred to as “productive” or “active” welfare
- East Asia – emphasis on growth; promotes private source of welfare (family, firm)
- South Africa – 1997 White Paper on Social Welfare; emphasis on public works programme

## ■ “Social Investment State” (OECD, EU) ... and the Invisible Carer

- Investment in “human capital” and “life-long learning”, especially the capabilities and opportunities of children
- Idea of investment with long-term pay-offs (hence, children)



# Developmental or productive welfare: How does it translate into policy?

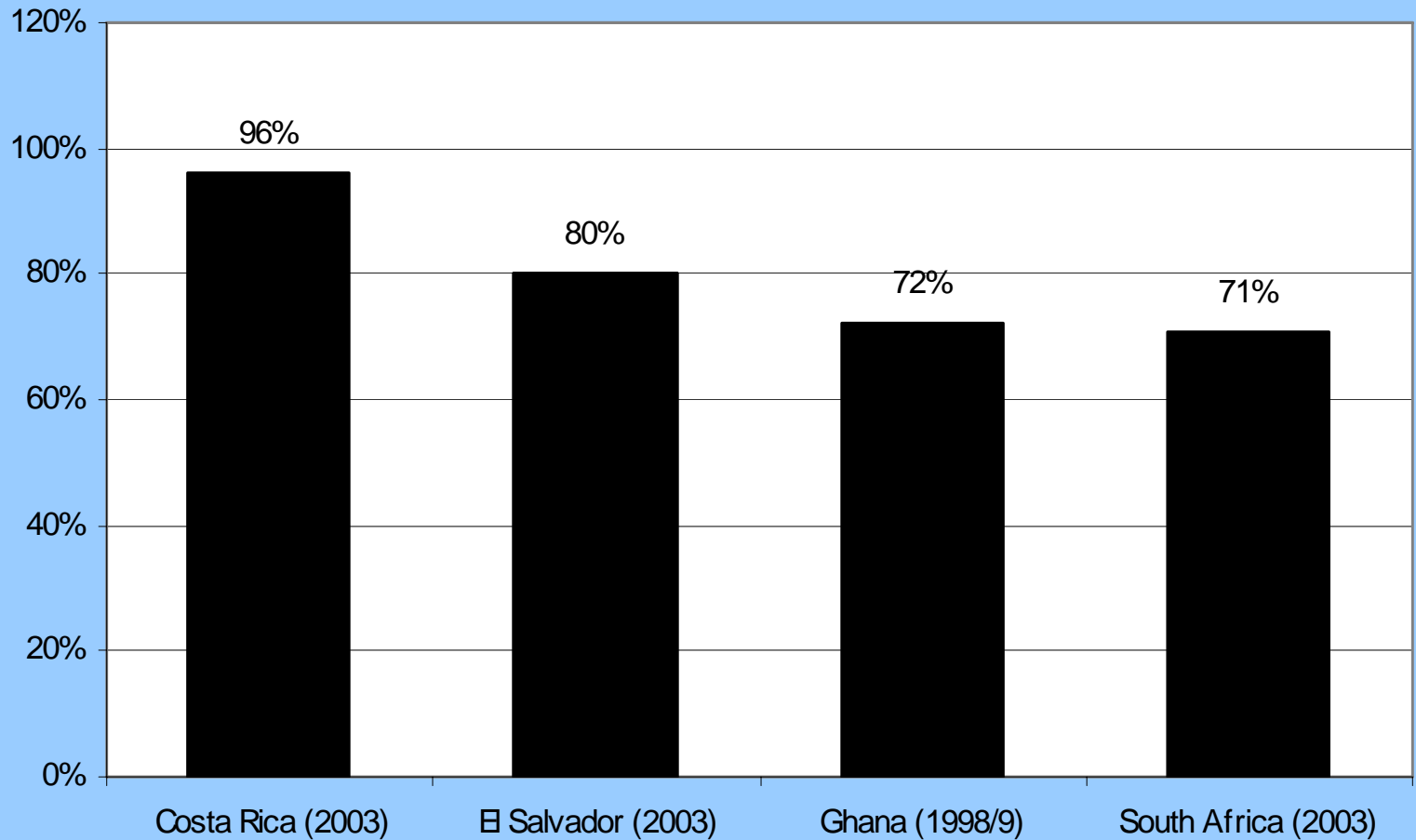
- **“Active welfare” strategy in Sweden encouraged women to enter the workforce**
  - provided “good” (well protected) jobs (public sector, other)
  - and decent public care services
- **“Workfare” in US encourage “welfare mothers” into work (post-AFDC)**
  - Low-wage work (dead-end?)
  - Mix of private and informal care services (dubious quality)
- **South African ‘developmental welfare’**
  - ‘two-tier’ system of benefits, with people in work-related programmes treated as “deserving poor” and those on welfare (and particularly mothers drawing the Child Support Grant), as passive subjects or cunning exploiters of the system
- **Context matters**

## Time spent in unpaid and paid work by men and women in two adult families with a child under 5 years old (average hours per day)

	Men (average for all men)		Women (employed full time in paid work)		Ratio: Women to Men	
	<i>Unpaid</i>	<i>Paid</i>	<i>Unpaid</i>	<i>Paid</i>	<i>Childcare</i>	<i>All unpaid</i>
Canada (1998)	4.0	6.3	5.1	5.9	1.4	1.3
United States (1995)	2.5	6.2	4.2	4.9	1.9	1.7
Denmark (1987)	2.3	7.2	4.0	5.4	2.0	1.7
Finland (1987)	2.8	6.1	5.6	3.9	2.8	2.0
Sweden (1991)	3.7	6.4	6.1	3.9	1.9	1.6
Italy (1989)	1.8	6.6	6.4	4.2	2.7	3.6
UK (1995)	3.1	6.3	7.4	3.5	1.4	2.4
Austria (1992)	2.2	6.9	5.8	4.7	2.2	2.6
Germany (1992)	3.4	6.1	6.2	4.1	2.1	1.8
Netherlands (1985)	2.9	5.2	6.2	1.7	2.4	2.1
Australia (1997)	2.9	6.1	4.6	6.0	1.8	1.6

Source: OECD Employment Outlook, Paris: OECD, 2001, Table 4.5, p. 140.

## Women's hourly employment earnings as a percent of men's, total employment (15+)



Source: Calculations based on estimates from Heintz, James. 'Summary of Country Case-Studies and Tabulations for UNIFEM's *Progress of the World's Women 2005*' Background paper prepared for *Progress of the World's Women 2005: Women, Work, and Poverty*. New York: UNIFEM.



### 3. Social sector reforms: Gender bias

Women's labour market disadvantages weaken their claims to social protection mechanisms and social services

- If entitlements are on a commercial basis (e.g. market based provision)
- If entitlements are employment-based (e.g. social insurance where “contributions” are closely tied to years in paid work, especially of the formal kind).



# Financing Mechanisms & Social Exclusion in Health

## ■ Commercialization and exclusion

- ❖ Introduction of fees and charges in public health facilities &
- ❖ increasing reliance on private (out of pocket) payment
  
- Who can pay “user fees” and “out of pocket” payments? Class/income
- Whose needs are prioritised? Look inside FAMILIES and HOUSEHOLDS

## ■ Promotion of mutual health insurance (MHI) (voluntary schemes)

- Low participation rates
- Financially unsustainable
- Little space for redistribution

## ■ Promotion of social insurance schemes (employment-based)

- Limited coverage in countries with extensive informal economies
- Some attempts to extend coverage to informal and independent workers BUT needs government subsidies (e.g. Costa Rica)
- SSA – several countries have SHI (Kenya, Ghana, Mozambique, Tanzania) but limited coverage for women due to their low rates of formal employment





# Pension Reform: Diverse Models

- **Privatization as preferred route of IFIs and their domestic allies**

- Chile and later Mexico as front-runners in privatization in LA
- Resistance in Costa Rica and Brazil

- **Other models include:**

- Provident Fund (e.g. Singapore)
- Basic pensions (e.g. Costa Rica, South Africa)

- **Features of privatized and individualized systems that discriminate against women workers (especially unpaid workers):**

- Requires extensive 'years of contributions' to qualify for a minimum pension; 20 years for both women and men in Chile and in Mexico
- Close connection between 'contributions' and benefits (discriminates against those with lower incomes) based on all years of work
- Life expectancy counts (women normally live longer than men but retire earlier)
- Fixed commission on wages (for admin costs) affects workers with low incomes adversely

## Projected replacement rates in old and new systems, % of average wage in the Polish economy

Age	Typical female		Typical male	
	New system	Old system	New system	Old system
60	22.4	64.8	30.4	79.5
61	23.6	65.8	32.0	80.8
62	24.8	66.8	33.8	82.2
63	26.2	67.8	35.6	83.5
64	27.6	68.8	37.6	84.9
65	29.2	69.8	39.6	86.2
66	30.8	70.8	41.8	87.6
67	32.5	71.8	44.1	88.9
68	34.3	72.8	46.6	90.3
69	36.2	73.8	49.2	91.6
70	38.3	74.8	52.0	93.0

Source: Woycicka et al. 2003. Author's calculations.



# South African Old Age Pension (OAP)

- Non-contributory financed from general revenues
- Means-tested
- Women retire at age 60, men 65

## ■ Recent research on OAP suggests (Lund 2006)

- It is well-targeted in racial terms (for example it reaches 80% of the African population, most of whom are poor, and an insignificant number of the white population)
- It is well targeted to rural areas
- It is well targeted to women, because they live longer, draw the pension earlier, and are poorer
- It is valued for its reliability
- It contributes to the security of the households in which elderly people live
- It contributes to the production of livelihoods of elderly people themselves, and of other and younger family members.

## ■ Unpaid workers effectively have a guarantee of partial economic security in old age



# Children and child benefits

Children -- important constituency of the post-neoliberal “social investment state”  
(Jenson and Saint-Martin)

## Positive outcomes:

- Child and family benefits (EU): increased as % of spending on social protection in 1990s
- Child benefits also on the rise in developing countries – typically through conditional cash transfers (e.g. Oportunidades in Mexico)

## Down-side:

- Part of ‘equality of opportunity’ framework which seeks to equalize starting points (investing in future generations) while marginalizing redistribution NOW
- Women as “*conduit of policy*” (i.e. resources channelled through them are expected to translate into greater improvements in the well-being of children and the family) (Molyneux)
- What about not ‘productive’ members of society needing care, like elderly and handicapped?