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Expert Group Meeting on the priority theme of the 53rd & 54th sessions of the Commission for Social Development: "Strengthening Social Development in the Contemporary World" Division for Social Policy and Development, United Nations Department of Economic and Social Affairs.

United Nations Headquarters, New York, The Secretariat building, Conference Room S-2725BR – Board Room, 19 - 20 May 2015

New challenges for and new directions in social policy

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The paper describes challenges and opportunities that confront social policy today and explains various social policy approaches that can help tackle such challenges while enhancing social justice. Reviewing how social policy has been interpreted in the development context for both advanced and developing countries, it pays special attention to the limitations of an anti-poverty focused social policy approach in addressing multiple challenges and risks we confront in the 21st century. It is followed by an analysis of these new challenges and opportunities, and the resulting implications for the policies to achieve sustainable development goals. It concludes with explanations for why a transformative approach to social policy can be seen as a more comprehensive alternative to anti-poverty social policy approaches and provides suggestions for improving the transformative social policy approach as new directions in social policy.

Evolution of Social Policy in Development Context

Social policy has always been a key policy instrument for addressing emerging social problems and implementing development strategies. It has evolved out of previous policy tools which revealed limited capacities in guaranteeing all citizens decent standards of living. For instance, the concepts and system of social security were first born out of the great economic depression of the early 1930s. They were an outcome of a growing realization that existing methods of providing national insurance and public assistance failed to cope with the rising scale of socio-economic and political problems because of their limited scope and shallow depth. Awareness of the importance of dealing with the causes of the economic and social problems rather than the effects also stimulated the emergence of social security system in the 1930s[1].

The Second World War provided ideal conditions for governments to extend the scope and depth of social policy. People were more willing to accept government intervention, the raising of more state revenue, and "one-nation" spirit, and egalitarian and solidarity ideals. National and international

[1] Key examples of social security systems in the 1930s are those of Denmark, the US, and New Zealand. George, V. (1968). Social Security: Beveridge and After. New York and London, Humanities Press and Routledge & Kegan Paul.

affirmations during and after the War emphasized the importance of social security for all as a key objective of economic policies of national governments, along with economic growth. Differing from the individualistic prewar and piecemeal approach to assisting with problems such as sickness, unemployment or old age, the newly formulated national plans for social security, including the Beveridge's, were designed to provide universalistic and adequate protection against a whole range of risks associated with market economies. In this way, social security began to be "conceived in positive and creative terms rather than as merely fending off misery or destitution by money payments" (Fabian Society, 1931 from George 1968 p.3).

However, the importance of social policy as an integral element in the historical development of advanced countries has often been neglected and has featured far less prominently in the development strategies recommended to less developed countries by international donors. On the contrary, some social policy programmes which constituted a backbone of the development and social cohesion of advanced countries, such as universal health care, have often been put aside with the justification that they are a luxury of richer economies or an output of economic growth. Instead, a palliative form of social policy programme has often been proposed as a remedial action against the adverse social effects of economic policies aimed at stabilization and adjustment, or at market-led growth (Yi 2015 forthcoming).

As the international aid industry put poverty at the top of development agenda list, social policy was brought back as one of the major development policy tools. However, it constituted a neoliberal version of social policy, i.e. residual social policy, in the sense that policy design and implementation aimed to serve neoliberal agendas such as non-interference of the state with the market mechanism, deregulation of the market and private sector, privatization of public social services, liberalization of international trade and investment, and reduction in income taxes and welfare payments and so on. As neoliberalism became a dominant theoretical and practical framework in developed countries since the early 1980s, basic paradigms for development based on the post-Second World War consensus, such as Keynesian macro-economic management and the importance of the role of the government in realizing the economic and social progress, were gradually replaced by new paradigms based on a loose set of partly descriptive, partly heuristic notions like market efficiency, civil society, social capital, diversity and risk. This residual approach to social welfare, which was detached from economy and served mainly as an anti-poverty policy, failed to address broader structural causes and the inter-linkages between economic and social, let alone social, economic and environmental aspects of development.

Conceptual Reductionism

Diverse approaches to social policy can be identified in different places and times. Although they are all flexible and varied in policy terms, they can be broadly classified into two divergent approaches; reductionist and holistic.

Holistic approaches consider social policy or its related concepts such as social security and social protection as a reaction to the poor law system. Social policy in this approach tends to be comprehensive in terms of both the people covered and the risks against which protection is provided. The extensiveness and inalienability of social security from the function of the state is based on the political philosophy regarding the role of the state vis-à-vis the wellbeing of its citizens. That is, the state must offer economic protection to all its members irrespective of sex, age, class, religion, race or other minority traits (George, 1968). In this approach social protection is often defined as an intervention that guarantees wellbeing in a comprehensive sense [2].

Reductionist approaches understand social security as a social objective as opposed to poverty, in particular income poverty. Social policy and social protection in the reductionist approaches are the interventions specifically targeting groups perceived to be in need. In practice they are associated with the exclusionary selection process for beneficiaries or targeting approach. The benefits provided are in most cases either so inadequate or so degrading that even those beneficiaries cannot enjoy full or decent economic protection. Definitions of social protection normally focus on the functions to reduce poverty, risks and vulnerability. In this, the ultimate goal of social protection measures is to reduce poverty, risks and vulnerability rather than improvement of wellbeing[3].

Reviewing the evolution of concepts and measures of social policy, social security and social protection in international development policy field, we can identify the reductionist approach to social policy as having been dominant in relevant discourses, particularly since the 1990s. Although the conceptual frameworks of holistic approaches to social policy have been upheld by several international agencies, social policy programmes recommended, prescribed and actually implemented by the aid agencies have been in most cases residual welfare programmes based on targeting approaches that focus on the poor.

This reductionist approach to social policy has an elective affinity between narrow conceptions of poverty and wellbeing. This is in a stark contrast with the elective affinity between holistic approaches to social policy and the understandings of poverty and wellbeing in comprehensive sense which we can identify in the post-war consensus on the welfare state. The dominance of this

[2] For instance, "Social protection involves interventions from public, private, voluntary organizations, and social networks, to support individuals, households and communities to prevent, manage, and overcome the hazards, risks, and stresses threatening their present and future well-being" (UNDP, 2006). "Social protection is concerned with preventing, managing, and overcoming situations that adversely affect people's well-being". UNRISD (2010). Combating Poverty and Inequality: Structural Change, Social Policy and Politics. Geneva, UNRISD.

[3] For instance see "Social protection consists of policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as an unemployment, exclusion, sickness, disability and old age" World Bank (2001). Social Protection Sector Strategy Paper: From Safety Net to Springboard. Washington D.C., World Bank.

, "Social protection is a set of interventions whose objective is to reduce social and economic risk and vulnerability, and to alleviate extreme poverty and deprivation. A comprehensive social protection system should include four broad sets of interventions: those that are protective, preventive, promotive and transformative." UNICEF (2008). Social Protection in Eastern and Southern Africa: A Framework and Strategy for UNICEF. New York, UNICEF.

p. 3), "Social protection is defined by the ILO as the set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment, invalidity, old age, and death of the breadwinner); the provision of health care; and, the provision of benefits for families with children. This concept of social protection is also reflected in the various ILO standards." Bonilla Garcia, A. and J. V. Gruat (2003). Social Protection. A Life cycle continuum investment for social justice, poverty reduction and sustainable development. Geneva, Social Protection Sector, ILO.

, p. 13-14).

reductionist approach to social policy in terms of ideas, concepts, and policies in fact determines the scope and depth of the new challenges and risks we perceive to confront development today.

New Challenges and Risks of Social Policy

Labeling a specific phenomenon as "new" in social sciences is always contestable. In many cases it is subjective depending on the ideological and theoretical positions one can take. We define the "newness" of social challenges and risks as both the real and *perceived* changes, both quantitative and qualitative, which differentiate the present from the past. In development contexts, social challenges and risks can be labelled as "new" when a specific change in institutions, processes, actors, contexts, and environment, be it small or big, is perceived to deviate or actually deviates from the functioning of past systems. Changes in the nature of risks and/or attitudinal changes toward risks and wellbeing in turn become new challenges and risks by revealing the limitations of existing policies and institutions in dealing with social and economic problems.

New challenges and risks for social policy:

Inequality: The first key challenge is increasing inequality. Inequality is not a new phenomenon, but its magnitude has certainly reached historic proportions. Growth in developing countries on average has been relatively strong, surpassing that of the advanced economies since the mid-1990s and has significantly contributed to reducing poverty. However, the impact of growth on poverty is determined by the way wealth and income are distributed (Fosu 2011). One of the important facts is that in both developed and developing countries, there is a substantial level of wealth concentration. In developing countries, although the degree of wealth concentration is not as high as developed countries, wealth inequality is closely related to income inequality (Shaxson, Christensen et al. 2012). Given that large populations live in rural areas of the world and that the majority of those residing in rural areas live in poverty, inequality of land ownership also has a significant impact on poverty levels.

Financialization: Secondly, saving and productive investment has been delinked by the deepening of financialization, that is the increasing role of financial motives, financial markets, financial actors, and financial institutions in the operation of the domestic and international economies (Epstein 2006)[4]. As economic transactions between countries have substantially risen alongside globalization, domestic and international financial transactions have accordingly grown drastically[5]. One consequence of this process has been the reduction of investment in non-financial corporations, which are a major source of employment in most countries. Financial transactions, the profitability of financial firms, and the shares of national income accruing to the holders of financial assets increased while the investment in the non-financial sector which used to generate the majority of employment and revenues has fallen over the last three decades (Epstein 2006) ; Eatwell, 1997). In this financialization process, firms in the manufacturing and non-financial service sector have essentially become "a bundle of assets to be deployed or redeployed depending on the short run rates of returns that can be earned" (Fligstein and Markowitz 1990). Financial markets directly reward companies for reducing wage costs through

[4] For the origin and history of the term and the various definitions, see Greta Krippner Krippner, G. R. (2005). "The Financialization of the American Economy." Socio-Economic Review **3**: 173-208. , Krippner, G. R. (2011). Capitalizing on Crisis. Cambridge, MA., Harvard University Press.

[5] According to the Bank for International Settlement, the daily volume of foreign exchange transactions continuously increased to more than 1.9 trillion USD per day in 2004, and then 3.3 trillion USD per day in 2007 and 4.0 trillion USD per day in 2010 in contrast to 570 billion per day in 1989. http://www.bis.org/press/p040928.htm and http://www.bis.org/publ/rpfx10.htm

various flexible labour market measures such as closures, restructuring, and outsourcing. This is a fundamental change in the role of financial institutions which is the efficient allocation of resources for desirable economic growth. In the process of financialization, the financial investment of non-financial business has been rising even though the accumulation of capital goods has been declining, and the insecurity in employment has been increasing (Stockhammer 2004).

Lack of decent jobs: The third challenge is the decline in decent jobs. The lack of decent jobs is closely related to technological progress and intensity of cross-national competition. In developed countries, the progress of technology has reached a level where manufacturing industries no longer needs to employ low-skilled labour in the production process. Likewise the tertiary sector, which is lagging behind the manufacturing sector in terms of productivity, has difficulty in absorbing the labour force to an extent that compensates for the loss of manufacturing jobs (Taylor-Gooby 2004). Developing countries with lower pay levels increasingly use their comparative advantage, i.e. low direct and indirect labour costs, to attract mobile works under the intense cross-national competition. This depresses the tax base and leads to decreasing even negative marginal returns, while the demand for social benefits and services are more likely to increase.

Divergence of productivity and wage: The fourth, related to third, is the dissociation of productivity and wage levels. One of the most significant features of the last quarter century has been the delinking of the established relationship between wages and productivity (Pessoa and Reenen 2012). Productivity continues to grow in some sectors but wages, in particular of low skilled and low paid workers, no longer keep pace with profits and productivity. This results in a phenomenon in which despite consistent economic growth in terms of the production of goods and services at the global level, although with a slow down after 2008, the share of wages have been consistently reduced over the last 30 years or more. The inconsistency can be explained by an increasing proportion of income going to capital. This disparity between wage and productivity levels is found in both developed and developing countries. In the US, income inequality has grown over the last 30 years or more, and only 8.6% of income gains have gone to the bottom 90% (Mishel and Bivens 2011). In the case of China, which recorded on average a rise of 17% annual productivity between 1995 and 2002, the proportion of Chinese people's wages in the country's GDP had decreased from 49.49 % to 39.74 %, which signifies a stark divergence of productivity and wage levels. Thus income going to labour hasn't risen commensurately with the economy during the past two decades[6]. Productivity growth has risen substantially over the last few decades but the hourly compensation of the typical worker has seen much more modest growth, especially in the last 10 years or so.

Changing nature of the service industry: The fifth is the changing nature of the service industry, or tertiarization. The early 21st century has witnessed phenomenal service-led growth in some parts of the world, particularly India and South Asia. This phenomenon has even been termed a "service revolution" sidestepping the "industrial revolution" which has epitomized the iron law of development for almost 200 years (Ghani 2010). However, most jobs created in the service sector, which indeed has a potential to contribute to growth and poverty reduction, are in traditional services comprising wholesale and retail trade, hotels and restaurants, real estate, transport, personal services, and public administration, which are also closely associated with informal economy (Noland, Park et al. 2012). In developing countries, an expanded service sector is closely related to urbanisation, an increased informal economy and the lack of decent jobs. Expanded global trade, which reached more

[6] www.chinadaily.com, Cheap labor has limits in manufacturing industry, June 2, 2010; the Economist, Prudence without a purpose, May 26 2012; In Praise of China, China's Productivity Miracle, October 1, 2012

than 60% of World GDP by 2007, compared with less than 30% in the mid-1980s, has had a limited effect in reducing labour market vulnerability in many developing countries. Despite its positive contribution to global growth and job creation, in many instances, labour market conditions and the quality of employment growth in developing countries have not improved to the same degree. In many developing economies job creation has mainly taken place in the informal economy, where around 60 % of workers find income opportunities. Less job security, lower incomes, an absence of access to a range of social benefits and fewer possibilities to participate in formal education and training programmes are predominant characteristics of informal employment and major sources of poverty and inequality. The share of the labour force engaged in informal employment is far bigger than the share engaged in formal employment in many developing countries. Targeted social policy based on the straightforward dichotomy of employment and unemployment has a difficulty in dealing with this informal employment.

Labour market: Sixth, labour markets undermining the potential of human capital is a new challenge to social policy. During the period of dynamic economic growth after the Second World War, the traditional mode of gaining place and privilege in society, i.e. inheritance, was replaced by meritocratic education as professional and technical jobs increased. Until the 1980s, at least in advanced countries, and some developing countries such as East Asian NIEs, investment in education was transformed into increased jobs, and high productivity. The role of social policy, in particular social services such as education and health contributing to human capital accumulation was crucial in establishing a virtuous circle of growth and social development. The virtuous circle in advanced countries slowly started to break down from the 1980s, when labour market flexibility was introduced as a main policy tool to maintain or increase productivity. It was a low road to increase productivity, i.e. reducing the factor costs The flexibility of the labour force, who are less attached to firms, significantly undermines the accumulation of firm-specific skills. Without a system to accumulate firm-specific skills, which are increasingly important as new technologies and organization for production are introduced (Bartel, Ichniowski et al. 2003), the economy is often caught in the vicious circle of low levels of accumulated firm-specific skills, low productivity, and high unemployment. In particular this trend affects young people, who are often one of the major victims of the flexible labour market.

In developing countries, the problems of subpar accumulation of human capital and the transformation of human capital into productive jobs also coexist. These coexisting problems of accumulation and transformation of human capital have particularly damaging impacts in Sub-Saharan African (SSA) countries whose populations, unlike other developing regions, are becoming proportionately younger in demographic compositions. Youth as a proportion of the total population of Sub-Saharan African is projected at over 75% by 2015 and expected not to decline before 20 years or more. The youth unemployment accounting for more than 65 % of the continent's unemployment already threatens the development of Africa, which has been relatively good in terms of growth rate since 2010.

Ageing society: The seventh challenge is that the many parts of developing world as well as developed world are going grey. By 2050, the majority of elderly, out of about 2 billion elderly people in total, will live in developing countries. Countries in Asia are set to see some of the biggest rises – by 2050 one in four Asians will be older than 60 years of age. Yet even countries in SSA, where fertility and mortality are still high, the number of people aged over 60 is set to triple from 53 million in 2009 to 150 million by 2050 (Shetty 2012). It increases the burden on the system of intergenerational transfer. In the countries where the social security system is elderly-biased, the wellbeing of children, in particular of poor households, is significantly undermined. Likewise investments in children without an adequate intergenerational redistributive system creates trade-offs with the welfare of elderly populations.

Changes of family structure: The eighth challenge is growing changes in family structures. In the pre-industrialization period, the natural economy of the working classes was a family economy dependent upon the efforts of each individual member and one in which the role of every member was equally crucial. As labour has become increasingly commodified in the developed world, family economy structures have been transformed into a male bread-winner model. The evolution of social policy also reflects this change of family economy in many ways. In particular, many modern welfare states, categorised as liberal and conservative welfare regimes, were firmly based on a family economy of the male bread winner model. One of the most fundamental challenges resulting from globalisation, technological progress, and tertiarization is the instability of this male bread-winner model. Low wages, job insecurity and accordingly an increased female participation in the labour market has put additional challenges on social policy based on male bread winner model. Since existing social policies have been designed to address challenges and risks of a political economy which features industrial production and a demand for low-skilled workers in a relatively homogeneous and undifferentiated, predominantly male labour force (the 'standard' production worker), with stable families, high fertility rates and a female population primarily devoted to housewifery (Esping-Andersen 1999), emerging changes in the nature of family structures has become a cause of crisis in welfare regimes; with a rising disjuncture between social policies and a male bread-winner model.

Political awakening and limitations of political system: Ninth, one of the phenomena of structural change in this century deserving particular attention is the increase of politically awakened populations, in particular in developing countries. As Brezinski aptly observes, "in the 21st century, the population of much of the developing world is politically stirring and in many places seething with unrest. It is a population acutely conscious of social injustice to an unprecedented degree, and often resentful of its perceived lack of political dignity" (Brezinski 2005). In many developing countries, opposition parties have risen to power through democratic elections in particular in Latin America and Asia, and long-established authoritarian regimes have begun to collapse, particularly in the MENA region. Although many developing countries still remain in "pre-awakening" stages or struggle with "post-awakening", it is certain that the aspiration for and pursuit of democracy, social justice and equality were major drivers for this process and will continue in the future in various forms, ranging from sporadic campaigns and demonstrations of collective action to power change through either election or popular uprisings. The fact that this political awakening does not necessarily align with the consolidation of democracy, such as the cases of democratic institutional failure in Eastern Europe and rampant crime threatening democratic governance in some Latin American countries, is another feature of the political awakening of the 21st century (Economist Intelligence Unit 2011). Rapidly rising expectations for welfare, a substantial degree of political awakening and lack of political institutions for representation and participation can foment serious challenges to politics of social policy based on stable democratic political mechanisms.

Climate change: Tenth, climate change as a concept emerged and was widely acknowledged as a pressing reality at the end of the last century. Increased frequency of natural disasters was one form of evidence among many for the existence of climate change, and will be a new policy challenge in conjunction with other by-products of a changing environment that will lead to greater uncertainty and insecurity. The reported global cost of "natural" hazards increased fifteen times between the 1950s and the 1990s. During the 1990s, major catastrophes resulted in reported economic losses averaging an estimated 66 billion USD per year (in 2002 prices). Record losses of some 178 bn USD were recorded in 1995, the year of the Kobe earthquake in Japan – equivalent to 0.7 % of global GDP. The number of people affected have also risen sharply, with a three-fold increase between the 1970s and 1990s (Benson and Clay 2003). On average, more than 200 million people were affected by natural disasters per year in the past two decades (UN ISDR 2005). Climate change raises a fundamental challenge to social policy or welfare states, since the environment is not well factored into social policy designs. Natural disasters that are increasingly frequent and larger in terms of economic and social impact, have been addressed not as a constant variable but rather as an abnormal, infrequent shock. In the latter understanding, the prevailing approach in aid and recovery policies to address the damages of the disaster has been a short-term disaster relief programme rather than an approach concerning long-term development and transformation of environmental conditions (Philip, Kartez et al. 1993). Climate change is going to affect the financial implication of social policy too. Global government spending on programmes that directly lowered the costs of oil, natural gas, or coal for consumers totalled 409 billion USD in 2010 (International Energy Agency 2011). When support to energy production in the form of tax credits or loan guarantees, common in developed countries such as the US, is included in the costs the estimate is going to be much higher. This regressive form of transfer, i.e. fuel and energy subsidies, in terms of redistribution and its effect on the environment is also one of the main forms of government spending in developing countries, and is currently under pressure to be phased out.

Protracted crisis: Lastly, chronic fragility and vulnerability and recurrent and protracted crises that result from armed conflicts, natural hazards, and "chronic crises" wherein people cyclically dip above and below acute levels of vulnerability have been one of the main reasons for countries' uneven progress towards the Millennium Development Goals (MDGs). Since the mid-1990s, more development actors, mostly from non-DAC member countries, have been involved in humanitarian aid and the response to complex humanitarian crises and disasters. The number of NGOs operating in humanitarian emergencies, in particular those from the Global South, has grown. Recently, national and foreign militaries and the private sector have also taken on greater disaster response roles.[7] The ways in which humanitarian assistance is planned, financed, managed, and coordinated are also changing. Humanitarian workers have made consistent efforts and reforms to improve services for and maximize positive impact on people affected by crises. Despite such concerted efforts, unintended negative consequences of humanitarian aid interventions are not uncommon in places affected by humanitarian crises. In conflict-affected countries, humanitarian aid agencies may sometimes inadvertently sustain conflict and prolong suffering. In the delivery of emergency services in countries affected by natural disaster, aid agencies seeking short-term outputs tend to spurn corrupt and obstructive government agencies and consequently leave the government without resources and capacity to govern.

Although there is a growing recognition of the necessity to address the root causes of conflict and prevent and strengthen the resilience of society against natural disasters[8], the scope of humanitarian aid programmes are short-term and immediate by nature. Additionally, they can be narrowed by widespread results-based management and short budget cycles. The long-standing problem of coordination between aid agencies remains as more and more heterogeneous actors engage in humanitarian action. A need for a new approach to achieve a more inclusive, effective, responsive and interoperable humanitarian system is stronger than ever before in the humanitarian aid community.

[7] Wheeler, V. and Harmer, A (2006) Resetting the Rules of Engagement. Trends and Issues in Military-Humanitarian Relations. HPG Report 21, ODI. London, UK.

[8] "A disaster occurs when a hazard impacts on vulnerable people." ICRC: http://www.ifrc.org/en/what-we-do/disaster-management/about-disasters/what-is-a-disaster/

New Directions in Social Policy for Achieving SDGs

In order to address "unfinished business" of the MDGs and the new challenges and risks, the global development community is organizing another internationally concerted effort which has resulted in the final proposal for the Post-2015 Development Goals. It includes as many as seventeen areas of Sustainable Development Goals (SDGs) and 169 targets (UN GA's OWG on the SDGs July 2014) in various domains of development. Although the global development community has had a series of substantial discussions and reached a broad consensus on which goals should be included in the list of the SDGs, the question of what global overarching strategy should be taken in their achievement has not been sufficiently discussed. Despite all the visions, long-term goals and principles of sustainable development that have been clearly specified and internationally agreed upon to a certain degree, what remains lacking is; an in-depth discussion on whether social policy approaches as they exist will adequately address the sustainable development goals, what potential social policy has in advancing wellbeing in the framework of SDGs, and what directions social policy should take in order to realize that potential.

There have indeed been alternative social policy approaches to the residualist model that presently dominates. These alternatives point out the problems and limitations of current social policy in developing countries. Two social policy approaches which stand out as representations of non-residual social policy approaches can be identified as; the transformative social protection approach and the transformative social policy approach. Both of these approaches have strongly held the critical views of the residual social policy approach and emphasised the inseparability of the social from the economic. They maintain that the economy is embedded in society, where various economic, social and political relations interact with each other through value and functional systems. These alternative approaches thus argue for a reconciliation of social and economic policy objectives to arrive at a comprehensive understanding of social policy and solutions to poverty and inequality (Midgley 1995; Mkandawire 2004).

The transformative social protection approach emphasizes the importance of social protection in responding to both social and economic risks in the context of developing countries. It argues that social protection programmes need to be comprehensive and holistic in order to address the economic and social risks that developing countries face. Adding such agendas as participation, empowerment, and rights-based approaches to development as adjuncts to the reduction of income poverty which the current social protection programmes prioritize, it argues that social protection needs to address a variety of risks and highlights the potential of social protection for economic growth (Devereux and Sabates-Wheeler 2004). Arguing for a holistic approach to social protection that includes policy actions of protection, prevention, promotion and transformation, it characterises its approach to social protection as "transformative". It also emphasizes the need to address vulnerabilities arising from social inequality and exclusion such as collective action for workers' rights, protecting minority ethnic groups from discrimination, or sensitisation campaigns on HIV and AIDS. It is an approach distinct from the current social protection or social safety net approach widespread in developing countries.

The transformative social policy approach defines social policy as a "collective intervention in the economy to influence the access to and the incidence of adequate and secure livelihoods and income" (Mkandawire 2004, 1). It defines social policy broadly with a purpose to identify various forms of social policy in different times and places. Highlighting its multiple concerns and functions such as protection, (re)distribution, production, reproduction and social cohesion, it explains how these diverse forms of social policy have contributed to transforming societies in varying degrees and pathways. Social policy affects the interactions between social, economic and political factors on the one hand and on the other it addresses issues such as the redistributive effects of economic activities and policies, risks from the vagaries of the market, and the changing circumstances of age, productive potential of members of society, and the burden of giving birth and care. Addressing these issues through various institutions and mechanisms, social policy can shape political, social, and economic relations which can enhance the wellbeing of people (Mkandawire 2004).

Firmly based on the inseparability of the economic and the social, both approaches emphasise the importance of a holistic approach to deal with economic, social and political relations, policy linkages, and the comprehensiveness of social policy interventions which can transform the existing unequal and unjust social, economic and political relationships. They both succeed in bringing back a concept of social policy that is compatible with the broad concept of development without losing sight of concerns about political economy, politics and employment. Both emphasise the importance of the productive aspect of social policy, such as investment in human capital, the provision of economic opportunities, the importance of changing power hierarchies, inequitable social relations and comprehensive frameworks of social protection or social policy.

These comprehensive and holistic approaches to social policy give consideration to the necessary policy features needed to address new and multiple development challenges as well as the unfinished business of the MDGs. Although these approaches have a great potential to establish an alternative social policy and development strategy in developing countries, they also have several limitations in combating the new challenges and risks specified in the SDGs.

Firstly, although both approaches highlight the transformative potential of social protection or social policy by explaining their multiple functions, both remain vague in their explanation of how those multiple functions should be related to each other and which function is related more closely to which other functions. Mkandawire(2004), an exponent of a transformative role for social poilicy suggests "four concerns" of social policy; production, redistribution, protection and reproduction. With regard to the links between these concerns, Mkandawire does not go beyond the general argument that "the weights on production, distribution, protection and reproduction are placed differently" (2004). The linkages between economic and social policy are emphasised but have yet to be sufficiently explained with theories on what nature of linkages should be established with which institutions and policies in what ways for the successful achievement of developmental goals like the MDGs and the SDGs. Similarly, explaining "protection", "prevention", "promotion" and "transformation" measures of social protection, Devereux and Sabates-Wheeler (Devereux and Sabates-Wheeler 2006) point out several linkages between different functions of social protection, but suggest that further research is needed on how policies can effectively address both economic and social vulnerabilities in specific contexts.

Research on the constraints and opportunities of specific contexts for social policy and identification of supportive policies to make institutional complementarity would be crucial to strengthening the alternative approach to social policy. For instance, school feeding programmes can be effectively linked to social and solidarity economy at the local level through which social protection, human capital investment, empowerment, and local economic growth can be enhanced.

Until now, empirical evidence supporting the premise of the linkage between economic and social policy has mostly been for ideal combinations of individually well performing policy instruments such as full employment and universal social service provision. However, many empirical cases show that institutional complementarities or synergies can be created by a combination of policy instruments, which may not perform as well in isolation from each other (Hall and Soskice 2001; Amable, Ernest et al. 2005; Boyer 2008). Creating an approach where the return to the system as a whole is greater than the returns to its component parts alone would be dependent upon the nature of the linking institution as well as the component institutions, which needs to be theorised further.

Secondly, despite the comprehensiveness of the objectives and purposes of their social policies, both approaches do not pay sufficient attention to some of the major developmental concerns of today, namely conflict and climate change. More than 1.5 billion people live in countries affected by violent conflict. Estimated poverty rates in these countries are about 20 per cent higher than countries with similar conditions but without violent conflicts. About 32 per cent of the world's poor, half of all child deaths, a third of people who lack access to clean water, a third of children who do not complete primary school, and a third of deaths from HIV/AIDS in poor countries are estimated to take place in those countries affected by violent conflicts (World Bank, 2013). Conflicts have become increasingly intra-state and urban, and civilians are now estimated to comprise 90 per cent of casualties of intra-state conflict (Wessels, 1998; World Bank, 2011), leaving significant physical and psychological effects and devastating economic and social infrastructure. Under these circumstances, the neglect of the potential roles and functions of social policy in conflict-affected and post-conflict settings would not be desirable.

Climate change and natural or human-induced disasters are also a major development challenges to which social policy does not pay sufficient attention. Climate change as a concept emerged and was widely shared and acknowledged as a reality at the end of the last century. The increasing frequency of natural disasters was one form of evidence among many for the existence of climate change, and will be a new policy challenge in conjunction with other by-products of a changing environment that lead to greater uncertainty and insecurity. The reported global cost of "natural" hazards increased 15 times between the 1950s and the 1990s. During the 1990s, major catastrophes resulted in reported economic losses averaging an estimated 66 billion USD per year (in 2002 prices). The record loss of some 178 billion USD was recorded in 1995, the year of the Kobe earthquake in Japan – equivalent to 0.7 per cent of global GDP. The number of people affected has also risen sharply, with a three-fold increase between the 1970s and 1990s (Benson & Clay, 2003). On average, more than 200 million people were affected by natural disasters per year in the past two decades (Benson & Clay, 2003). In this context, demand for environmentally friendly policies in both production and consumption has nearly become a norm. There is also an increasing recognition that environmental gradation is a major barrier for poverty reduction, and at the same time, reaching environmental conservation goals requires progress in the eradication of poverty. In addition, some social policy programmes and their policy consequences are increasingly related to climate change and environmental issues, as we can see in the recent trend of abolishment of fuel subsidies. However the policies formulated with this recognition are often focusing on low level of linkages between economic, social and environmental policy, which creates trade-offs with social objectives. For instance, Payments for Environmental Services (PES) schemes that allocate private property rights over hitherto common property or state-owned resources often favour or target the better-off. The policies such as PES, REDD+ and other policies to promote biofuels are often implemented in the way to compromise the interests of small holder agriculture, biodiversity, livelihoods, and food security. They also often ignore the redistributive impacts of monetary pricing and market –based allocation of environmental assets.

How social policy should take into account conflict and climate change related issues or how the conflict and disaster related situations should be factored into social policy design and implementation are an inescapable questions which have not been seriously dealt with by either transformative approaches.

Thirdly, although both approaches are firmly based upon universal norms, they are not specific enough about how to link social policy with normative institutions in policy terms. This leads us to the importance of adequate legal and institutional framework for social policy. Legal and institutional human rights framework contribute to enhancing stability of social policy, and empowering beneficiaries as rights-holders. It also identifies duty-bearers and opens the space where politically awakened mass can participate to protect their rights and negotiate over improvement of wellbeing. They also help to align policies and programmes across spheres in a manner consistent with human rights view on interdependence, indivisibility and mutually reinforcing nature of rights. Linking social policy with human rights framework is particularly relevant to the strategies to address inequality, one of the key SDGs, since human rights framework is all about the principles of equality and non-discrimination, such as the inclusion of disadvantaged and vulnerable groups, and equality and non-discrimination in the selection of beneficiaries. Emphasis on human rights can also contribute to reducing negative impacts of such social programmes as conditional cash transfer which are potentially conflicting with freedom of choices and the rights to food, health, housing, education, and social security.

Fourth, the focus on inter-linkages among social, economic and environmental dimensions is crucial to enhancing the performance of social policy, in particular intricately interrelated challenges and risks. The focus on linkages and comprehensive cross-sectoral approach need to be extra careful about their distributive consequences which are often masked by positive sectoral performance. For instance, a transition to green economy may negatively impact low income and other marginalized groups. Biofuels which are promoted as an alternative low-carbon energy source can result in the displacement or food crop production leading to price spikes. Energy policies that increase tariffs for domestic users can be regressive as energy comprises a far higher share of spending in low-income households.

Fifth, given the divergent understandings of social policy in terms of conceptualization and implementation, making social policy principles ideologically and politically ecumenical is increasingly important in addressing diverse goals of SDG framework and in mobilizing supports across the social sectors and political parties based on varying conceptions of social justice. (see the case of Beveridge scheme. (Jackson)). Global or regional consensus on social policy agendas are increasingly important in the context of deepened globalization and interdependence of countries. Universalism in social policy such as global social protection floor, and universal health coverage plays a strong role in mobilizing a broad support and in opening a further development of social protection.

Moving away from anti-poverty focus to comprehensive development focus, the transformative approaches contributes to expanding the policy space and identifying more policy tools and institutions available for attaining sustainable developmental goals. Although these approaches have limitations in addressing various developmental challenges and risks, both transformative approaches represent a better fit for the SDGs than those of the current residual social policy approach in developing countries. This is due to their features of comprehensive objectives and purposes, diverse institutional and policy tools and the transformative intention of social policy.

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