

Transnational Actors and Global Social Welfare Policy: The Limits of Private Institutions in Global Governance

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Economic globalization is often blamed for forcing governments to cut or alter social welfare programs, and thereby also for limiting the autonomy of the political institutions (i.e., nation-states) that are primarily responsible for achieving social welfare goals. At the same time, an important non-economic dimension of globalization is the proliferation of transnational non-governmental organizations (TNGOs), creating the potential for new institutions to develop to promote values and interests shared by people in different countries. Some analysts argue that the growth of progressive TNGOs could offset the erosion of government welfare programs. In effect, the loss of autonomy by nation-states could be offset by the growing autonomy of non-governmental actors pursuing similar goals.

Our research looks at whether TNGOs are developing the capacity to shape and even provide social welfare programs at the global level, and to what degree TNGOs are able to act with autonomy from the same forces that constrain the autonomy of states — global market pressures, neo-liberal ideology, and inter-governmental organizations (IGOs) committed to economic liberalization. TNGOs can have an impact in three ways. First, they can influence government and IGO policies through traditional lobbying. Second, TNGOs can promote transnational norms, values, and identities that indirectly enhance the potential for income redistribution and measures to protect vulnerable groups from economic instability. In order to assess their impacts in these ways, we study TNGO participation in the World Summit on Social Development (WSSD) held in Copenhagen in 1995. Third, TNGOs could matter by taking direct action themselves to redistribute resources and protect vulnerable groups from economic instability. This is the area of greatest theoretical interest, because the mobilization of independent resources is key to the ability of TNGOs to offset the erosion of state efforts in the area of social welfare. Thus, we examine efforts by development NGOs to raise resources privately to finance programs of their own design.

The WSSD was intended to address the problems of poverty, unemployment, and social integration. Its very existence reflected the success TNGOs had had in raising the profile of social issues after the preoccupation with economic policy and structural adjustment among development policy-makers in the 1980s. Most of the hundreds of TNGOs active at the WSSD approached global social policy from a social democratic perspective, in contrast to the liberal perspective adopted by the international financial institutions (IFIs, primarily the IMF and World Bank) and many governments. The TNGO coalition included groups that mobilized around development issues, women's issues, environmental issues, and human rights issues. Shared norms brought these groups together, but each also pursued more specific goals distinct to its particular concerns. We identify a number of key issues on which TNGOs consistently differed from powerful states and the IFIs, and assess how much impact TNGOs had on the normative approach and policy recommendations contained in WSSD documents, especially the Copenhagen Declaration and Programme of Action.

1. *Structural adjustment programs (SAPs) and the root causes of poverty.* Most TNGOs viewed poverty as a structural consequence of the market-oriented economic reforms promoted by northern governments and the IFIs, and believed that economic policies should address social problems directly rather than aiming to promote economic growth on the assumption that growth will solve social problems. TNGOs succeeded in getting the Copenhagen Declaration to acknowledge that economic globalization had been accompanied by poverty and social exclusion. However, conference documents also endorsed the liberal view that poverty results from the inability to access opportunities created by market-based economic systems rather than from those systems themselves, and sought to solve the problem by enabling people living in poverty to participate more fully in the market economy. Similarly, while conference documents acknowledged that SAPs could contribute to social welfare problems, they proposed to solve these problems by adding minimal targeted social protections to the liberal economic model rather than altering the basic model or promoting the kinds of universal programs favoured by TNGOs to promote solidarity and social justice.
2. *Funding for social development.* TNGOs called for increased foreign aid for social programs (including the perennial call for rich countries to commit 0.7 percent of GNP to foreign aid) and for efforts to reduce inequality by redistributing income and resources from rich to poor countries and from wealthy to poor people within countries. The Copenhagen Declaration said little regarding redistribution and called on states to increase funding for social development and to fulfill the 0.7 percent target "as soon as possible," but there were no firm commitments and many donor states subsequently cut spending on foreign aid. In place of increased global funding, conference documents identified economic restructuring in developing countries to promote growth as the key way to increase funds available to support social development.
3. *Institutions and agents of social development.* TNGOs were sharply critical of the tendency they saw at the WSSD and among the IFIs to portray people living in poverty as victims in need of expert external intervention rather than as active agents who could meaningfully contribute to poverty eradication. TNGOs wanted international efforts to empower civil society and make social development policies more responsive to the views of the intended beneficiaries. Activists called for the United Nations, through its Economic and Social Council (ECOSOC), to assume more control over international economic organizations like the World Bank and the IMF, because the UN is more open to input from developing countries, more sympathetic to strong, direct international action on social policy, and more open to input from representatives of civil society. The Copenhagen Declaration did not support TNGOs' call for an increased role for the UN, but it did include commitments to improve consultations with civil society, and it adopted the language of "people-centred development."

These issues reveal that TNGOs at the WSSD shared common values that collectively united them and set them apart from states, and the "Copenhagen Alternative Declaration" adopted by a large number of TNGOs showed that diverse groups were able to come together behind distinct values and recommendations. Furthermore, their readiness to criticize dominant institutions demonstrates TNGOs' autonomy from the forces behind market-oriented globalization. At the same time, however, TNGO participation at the WSSD depended on strong support from the UN secretariat, and even with this they were excluded from closed-door negotiating sessions in which governments drew up the agreements.

In order to assess the direct contribution TNGOs can make to economic redistribution and the protection of vulnerable groups from economic instability, we examine data on private, voluntary contributions to social-development NGOs. Access to private voluntary funding could free TNGOs

from their dependence on states, and enable them to pursue programs they determine for themselves even when government funding is not available. However, private, voluntary contributions to TNGOs in the OECD countries are very small compared to official foreign aid flows. Furthermore, private flows did not rise in the 1990s to offset the decline in government aid flows. Global civil society was not able to step up and fill in the social policy gaps caused by global constraints on social welfare programs in developing countries. Data on fundraising by Canadian NGOs showed that donations increased in real terms throughout the period since the 1970s, but the rate of increase in the 1990s was too low to offset the loss of government funding for NGO programs. The modest rate of growth in private financial support for international development in Canada and other OECD countries does not support claims that patterns of global governance are changing to give a greater role to TNGOs and global civil society, or that global consciousness is growing among the world's citizens. Private donations are not large enough, nor are they growing quickly enough, to free NGOs from the constraints on autonomy imposed by their dependence on government funding. Government aid agencies in many rich donor countries have adopted the strategy of "new public management," and are increasingly using NGOs as public service contractors. Paradoxically, most development NGOs are sharply critical of neo-liberal ideology, yet their skills and status as non-government actors make them a good fit for the application of this ideology in the field of global social policy.

We conclude that while TNGOs have considerable normative autonomy from dominant forces favouring market-oriented globalization, they have not developed the institutional capacity to substitute for states in the provision of social protections or to have a major concrete impact on the social policies pursued by dominant institutions. The record of deliberations at the WSSD showed that on issue after issue, governments and the IFIs responded to concerns that TNGOs had raised from a social democratic perspective with liberal policies that failed to acknowledge the values that underlay TNGO views. In this respect, the roles TNGOs play in global social policy appear quite traditional — they remain outsiders in relation to governance processes dominated by governments and IGOs. Furthermore, TNGOs have had limited success in developing non-governmental sources of funds and remain highly dependent on states to fund the programs they deliver. Among institutions involved in global governance, only states and IGOs have the legitimate authority to raise revenues on the scale needed to make a difference to global social conditions.