10. Actors

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10.1 INTRODUCTION

Social protection is for many international organizations a state’s affair.\(^1\) While the state definitely plays an important role, the state is by far not the only actor and there is no predefined institutional arrangement of how social protection should be implemented. An exclusive focus on the state would therefore be short-sighted when assessing and comparing the performance of social protection systems. It is hence important to understand the mix of actors involved, the type of contribution they can make to social protection and their modes of cooperation. This contribution will therefore first sketch out the role and interplay of the main actors in social protection and then challenge some of the common assumptions made around how roles are best allocated in the social protection system concerning the providers of informal social protection, the private sector, civil society organizations (CSO) as well as international actors.

10.2 MIX OF ACTORS

The individual can usually use different channels to achieve social protection, of which some are more easily accessible and others are more reliable in terms of the protection provided. De Neubourg’s pentagon (2002) differentiates between five different sources of welfare: markets, family, membership institutions, public authorities and social networks. This exceeds for instance the three main institutions of the state, market and family that Titmuss (1975) and Esping-Andersen (1998) mapped out and also the welfare diamond that Jenson (2015) discusses, which adds another dimension for the community. We propose a welfare mix that encompasses four main sectors, the public, private, informal and societal, and that gives an overview of the actors involved (Figure 10.1). Right in the centre is the individual who works, saves and invests to provide for the wellbeing of today and tomorrow. The individual alone cannot reliably manage risks over the life-cycle though. Sometimes the individual capacity is constrained, or the risk is too large to be managed at the individual level. This calls for risks to be pooled at group level which is the underlying principle of insurance mechanisms but also of any altruistic redistributive mechanism. Some risk management strategies are more efficient at group level because individual strategies are either risky, such as keeping money at home, limited in terms of diversification opportunities and not sufficiently far-reaching when it comes to preventive strategies with wider effects for the public.

There are hence different actors that support the individual in his/her efforts, with the support being formalized to different extents. The main actors in the area of informal social

\(^1\) For an overview of definitions of social protection, please see the glossary published on socialprotection.org: https://socialprotection.org/learn/glossary/what-is-social-protection
protection are the family, the individual’s network and community members. The societal sector comprises all types of CSOs, including community-based organizations as well as membership organizations. The private sector of social protection includes financial institutions that offer risk management products, private service providers as well as employers that take measures to socially protect their employees. Government, public authorities that implement policies as well as parastatals make up the public sector that is involved in social protection. All of these sectors exist at national as well as international level and we dedicate one of the later discussion points to the question of whether social protection is predominantly a national actors’ affair (see Discussion point 4 under Section 10.5).

10.3 ROLE OF ACTORS

10.3.1 Informal Sector

Most individuals, in particular in low- and middle-income countries, predominantly rely on the family or their personal networks to buffer shocks and provide services. The family/network is within reach and also accessible at short notice, which is important when an uninsured risk strikes and the state does not have social protection schemes that flexibly absorb new entrants. The family/network might also sense a greater obligation to support and the information and enforcement problems that lead to market failure are minimized as the family has access to better information and can monitor and sanction behaviour.

The challenge with the family/network as a social protection provider is that support might not be reliable in particular with greater, covariate and repeated shocks. Support might also be inadequate, depending on the socio-economic situation of the family/network and the willing-
ness to give. Support might furthermore not be provided to all family/network members in the same way and might make some members more vulnerable to power plays and a loss of autonomy and dignity. Family/network resources could also be put to more productive use if not placed on reserve for family/network support. Women for instance who usually bear the costs of care services provided within the family could earn a higher income and be less stressed if care work was distributed equally or provided in a different way. One of the critical discussion points is whether informal social protection will gradually fade away and be replaced by public support (see Discussion point 1 under Section 10.5).

10.3.2 Societal Sector

The societal sector comprises a wide range of diverse CSOs as for instance community-based organizations and membership organizations. Similar to the family, community-based organizations are close to the community, know the needs and problems and are therefore often regarded as a trustworthy actor when it comes to designing suitable interventions (Cammett and MacLean 2014a). They can also make use of this trust and information to perform multiple functions in social protection that go beyond just the provision of services (see Chapter 5).

CSOs can be brokers between communities and the government when it comes to designing interventions, facilitating access to government support and channelling complaints upwards. They can also be lobbyists, ensuring that community interests are heard, that interventions are implemented as promised and that the government is held accountable. Whether CSOs can do full justice to all their possible roles or whether they can easily fail as a chameleon is discussed in greater detail below (see Discussion point 3 under Section 10.5).

Using Beveridge’s words (report on voluntary action in 1948), whereas community-based social protection falls under philanthropy, membership organizations stand for mutual aid. Membership organizations comprise for instance unions, religious organizations, neighbourhood organizations, savings and funeral schemes and mutual insurance organizations (see Chapter 7). Membership organizations also provide services such as strike money, credit facilities and social support next to defending their members’ interests through advocacy. Transfers and services are often exclusive for their members and provided to all of them, irrespective of members’ resources. More than community-based organizations, membership organizations tend to be clientelistic, even if some of the policy gains such as minimum wage policies and favourable working conditions cannot be reserved for members only.

10.3.3 Private Sector

Financial institutions facilitate consumption smoothing over time by allowing individuals to trade current income for future income. The market can also offer further private insurance products such as life insurance, pension plans and health insurance that allow the individual to buffer some of the life-cycle risks. This channel is, however, neither open to all nor all-encompassing in terms of the social protection coverage being provided. Insurance provision is either incomplete in terms of the risks and people covered or very expensive, in most cases unaffordable for poor population groups (see Chapter 6). In part this is due to problems of adverse selection and moral hazard with the good risks opting out and the insured not being incentivized to prevent the risk from occurring. Transaction costs can be prohibitively high and covariate risks with a high probability such as flooding that takes place every year
are difficult to insure. At times, bad risks are even deliberatively excluded all together by the insurer. Individuals themselves might also not sufficiently insure themselves through the market because they are myopic, have incomplete information about the value of insurance and don’t factor in positive externalities of insurance for the rest of society. Even in the absence of market failure, the distribution of incomes still might not be desirable and give the state a reason to intervene.

The private sector can provide social services such as health, education and care for a fee. Services can be contracted out by the state, the insurance or they can be purchased directly by the individual. Whether contracting out is an efficient and effective choice for the recipients and an equitable solution for the society is another important point (see Discussion point 2 under Section 10.5).

Employers are often not perceived as an active social protection player but as an opponent to social protection. Firms are not necessarily veto players. It should not be overlooked that employers in formalized work relationships pay social security contributions and help employees manage life-cycle risks. At least in many high-income countries, they also offer occupational pensions, workplace safety and return-to-work programmes and more recently also family-friendly measures. Through corporate social responsibility, some light form of social protection is also extended beyond the worker to community members. While some of these measures only apply to highly formalized contexts, others such as occupational pensions presume a long-term work relationship and again others are entirely voluntary; those are of course serious limitations in countries where work for the most part is informal, not tied on one employer and also considered replaceable.

10.3.4 Public Sector

The government is responsible for ensuring that the right to social security as formulated in Article 22 of the Universal Declaration of Human Rights is fulfilled. An increasing number of countries has enshrined the right to social protection in the national constitution and legal frameworks. This means that the government has the obligation to come in when other actors fail to ensure sufficient protection.

The government also has to intervene in case of market failure or undesirable redistributive effects (Jorgensen and Bennett 2019). The government can for instance oblige citizens to purchase social insurance (see Chapter 3) and facilitate collective risk management strategies. It can insure risks that are covariate and recurrent in nature and extend social protection to groups who would be purposely left out by the other sectors or who could not afford to pay for insurance or the membership fee.

In addition, the government can introduce solidarity elements, redistribute incomes from more affluent to poorer members of society and protect those who are unable to cope. In this way, the government can ensure that every citizen has access to social protection in case of need (see Chapter 2). While providers of informal social protection as extended family networks or civil society initiatives can only facilitate solidarity between relatively small, often quite homogenous social groups, the state can facilitate a diverse national risk pool. A solidarity mechanism between different population groups, different economic sectors, rich and poor, healthy and sick, old and young and beyond small geographical units diversifies risks and enables relevant distributional effects.
Government also has the possibility to offer or regulate the provision of public goods, which are often important preventive measures in social protection such as a dyke, dam, mountain terraces or investment in public health. Not only are those preventive measures costly but the individual or the private market would also not have an interest in offering them as they would not want to invest in a good whose benefits are also enjoyed by others at no cost.

Uncoordinated efforts of different actors can result in unrelated programmes and fragmented social protection systems with important gaps and huge differences in access and quality. The government is responsible for the regulation and coordination of the overall social protection system. This means to direct the complex interplay of different actors and steer towards a comprehensive, integrated social protection system that guarantees equal rights and promotes public good.

The government is not, however, without any failures, in particular when it comes to social protection provision through public authorities or parastatals. Citizens don’t always experience government as the most reliable institution, in particular in countries where public institutions are grossly understaffed and lack the necessary resources and accountability mechanisms.

Many social transfer schemes in low- and middle-income countries (see Chapter 2) have neither been extended to even just those in greatest need nor has the support been adequate or reliably provided. Even in countries with a functional legal system and where the government has made legal provision for social protection, there is still no guarantee that social protection coverage only goes up, that clientelism and corruption never happen and that failure at management and compact level are unheard of.

10.4 BEYOND THE TYPICAL ROLES IN SOCIAL PROTECTION

10.4.1 Beyond Provision

Social protection roles are of course not only limited to service provision. Spicker (2008) delineates a two-dimensional space with one dimension being the provision and the other being financing, which can be public, private, corporate, consumer charges, mutualist or voluntary. Provision and financing are not always provided through the same source, showing that social protection actors’ roles are manifold and that the interrelationships deserve greater attention. The state can for instance contract out different functions and services to the private sector or CSOs. The state can also financially incentivize social protection provision by subsidizing social companies or rewarding informal carers by paying a small token, covering their health insurance or adding pension points for the period carers take leave from their job. Next to outsourcing the provision, the state can also solicit greater private financing (Gilbert 2005). Through tax credits, it can encourage individuals to take up additional private insurance or make private donations to philanthropic organizations. The state can also facilitate the financing of social protection activities through for instance subsidies for certain products and services, reduced value-added tax for certain services and wage subsidies for particular employees as well as through collecting contributions on behalf of social security organizations.

Powell (2019a) adds with regulation another dimension to Spicker’s space. Regulation can refer to the degree to which activities of other social protection actors are defined and restricted but also to the protection rendered through regulation. The state can in this way
delegate responsibilities to other actors in the social protection system, restrict activities that are considered too risky and ensure actors’ compliance with commitments made. The state can enact a minimum wage, safety regulations at work and regulations concerning working time and lay-off to ensure that individuals stand a fair chance to be protected through the labour market. It can regulate that the family has an obligation to support other family members in need, turning informal social protection into an obligation rather than an act of mercy. Regulation can concern the period of time that companies need to grant their employees paid and unpaid leave in case of sickness, accidents or for the care of children. The state can make social security contributions mandatory, demand co-payments for social services from individuals and also regulate that private insurance companies need to have reserves in place. In times of crisis, as with Covid-19, the state can mandate that social insurance contributions can be waived or suspended and that workers’ contracts are not terminated under specific conditions (Gentilini et al. 2020).

The state can also decide on how tightly the other actors should be regulated, whether greater control and standardization over CSOs and the market or more autonomy and room for innovation prevail. In countries like Germany with a tradition of social dialogue, civil society and membership institutions such as trade unions are explicitly invited into policy spaces for social dialogue where new policies are discussed and negotiated.

Another function which can be easily overlooked but which is important and assumed by different actors is the provision of information. CSOs inform citizens about available support options and procedures and inform the government about support needs. The government can also inform citizens about the range of support options and the respective advantages and downsides for different groups. In addition, the state has an important function when it comes to promoting preventive behaviour by launching for instance public health campaigns.

10.4.2 Beyond National Affairs

Even if the welfare state in the current academic literature on the Western welfare state very much concentrates on national actors’ mixes, the welfare state no longer is a completely national affair. Gough (2014) identified for each and every national actor in social protection the international equivalent: international and bilateral donors at the state level, multinational corporations at the market level, transnational non-governmental organizations (NGOs) at the community level and remittances and other support strategies of family members abroad. All of these actors have assumed a crucial role in the areas of agenda setting and policy formulation (international donors and international organizations), in demanding and ignoring social protection standards for workers at production sides abroad (multinational corporations), in advocating for the social protection agenda at international level (international NGOs and their networks) and in providing social protection where the market and state fail to (remittances).

10.5 INTERPLAY OF ACTORS

While it is important to understand the different sectors and actors, it is even more insightful to examine the interrelationship. To protect citizens for instance in old age, there might be a social pension which is regulated, financed and provided by the state. This is complemented by social insurance, which is provided by a parastatal body being jointly managed by employ-
Actors' and employees' membership organizations, financed by individuals and employers and regulated by the state. Employers might pay for and provide additional occupational pensions, regulated by the state. Individuals can also take out voluntary insurance in the private market, which is regulated and at times subsidized by the state. A family member provides care on a voluntary basis, supported by a small subsidy of the state in the form of pension points and a regulation that permits the person to take leave from work for a certain period of time. In this scenario, actors complement each other, each assuming slightly different roles, reaching out to potentially different target groups and offering different levels of protection. Table 10.1 provides another example of how different functions are assumed by different actors with respect to access to health.

Co-production is not the only possible relationship. Actors can also substitute each other, in cases when the other actor’s capacity is (considered) weak (Cammett and MacLean 2014a) or simply when it is politically opportune to do so. Looking at the European welfare state history and actors’ mix, it is telling that the supremacy of roles has changed. In the early phases of industrialization social protection was predominantly provided through CSOs: guilds, producer and saving unions, mutual insurance unions and the church for instance played an important role. With industrialization the state gradually entered the picture. After World War II, social protection was state-centred. In the 1980s public-sector bureaucracies were under attack for being too expensive, bureaucratic, paternalistic and unresponsive to citizens’ needs. In response, market mechanisms were introduced (Finn 2015) and a new role for civil society developed as providers of services under state contracts. In the 2010s the United Kingdom saw for instance a shift towards ‘Big Society’ with different interventions to support civil society and nurture active citizens (Macmillan and Rees 2019). This was however also reversed at the time of major spending cuts. Some low- and middle-income countries have also seen changes. State-provided social protection is still a fairly recent phenomenon, often preceded by informal, faith- or CSO-based social protection. CSOs have assumed important functions of the state. Their experience and mode of operation sometimes inspired public service provision as in Kenya (Brass 2014) or led to stricter control of competitive NGO activities as in Zambia.

Another form of corporation is delegation. This can bring out the best in both partners but contracting out to the private or civil sector can also twist relationships and cause a certain mission drift. Reliance on public funding can threaten the autonomy of CSOs and lead to less innovation as a comparative edge needs to be preserved for bidding (Allard 2014; Macmillan and Rees 2019).

Which actors’ mix might be considered legitimate differs across welfare regimes, the underlying logic and the historical path taken (Kuptsch 2017). Even within a system, individuals might seek different channels, depending on whether they have a choice, which preferences they have, the confidence they instil in the different actors, their risk profile as well as the (social, financial) capital available. So rather than focusing on particular actors, it might be more beneficial to focus on values and outcomes and to then (re)consider which actors’ constellations would be best aligned with this (Powell 2019b).
Table 10.1  Interplay: contributions of actors concerning access to health (simplified overview)

<table>
<thead>
<tr>
<th>Function</th>
<th>Individual</th>
<th>Informal</th>
<th>Societal</th>
<th>Private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provision</strong></td>
<td><strong>How do actors contribute to the provision of health services?</strong></td>
<td>Self-treatment</td>
<td>Family (home) care provision</td>
<td>Non-profit health service provision (e.g. church-owned hospitals)</td>
<td>Private health service provision (e.g. private doctors and clinics, laboratories, etc.)</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td><strong>How do actors contribute to the financing of health services?</strong></td>
<td>Payment of taxes (e.g. income tax, value-added tax), health insurance contributions, direct health service (co-)payment (user fees)</td>
<td>Provision of family financial support, mostly to direct health service payments</td>
<td>Provision of financial support based on group solidarity or charity</td>
<td>Payment of taxes (corporate taxes), employer’s health insurance contributions, provision of employment-related benefits</td>
</tr>
<tr>
<td><strong>In what ways do actors facilitate the financing of health services?</strong></td>
<td></td>
<td></td>
<td>Provision of micro-/group insurance for members</td>
<td>Provision of private health insurance, credit and saving instruments</td>
<td>Public provision of social health insurance</td>
</tr>
<tr>
<td><strong>Regulation</strong></td>
<td><strong>In what way do actors contribute (in)directly to the regulation of health services?</strong></td>
<td>Social norms (e.g. reciprocity, solidarity, etc.)</td>
<td>Additional self-regulation by membership organizations (micro-/group insurance for health)</td>
<td>Additional self-regulation by companies</td>
<td>Overall regulation of the health sector, regulation of public, societal and private service and insurance providers, regulation of health and safety at work</td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td><strong>In what ways do actors provide information?</strong></td>
<td>Health education, healthy lifestyle promotion</td>
<td>Health promotion, information on access rights and options</td>
<td>Provision of health information to clients of private health insurance and services, provision of healthy lifestyle and information tools (e.g. smart-watch, health app)</td>
<td>Public health promotion, information on service and insurance access</td>
</tr>
</tbody>
</table>

Source: Authors’ own.

Discussion Point 1: Will Informal Social Protection Be Crowded Out?

Informal social protection can cover a wide variety of different social protection responses: it encompasses traditional solidarity as well as self-help mechanisms and some would even include semi-formalized community-based approaches. Traditional solidarity is provided
in the form of gifts for joyful as well as catastrophic events. Even if no immediate return is expected, the support is based on the principle of reciprocity. Self-help mechanisms are more formal in nature: they require membership and contributions to be made. They comprise for instance rotating saving and credit associations but also shared labour practices where farmers work together and share assets. Informal social protection in most contexts is not regulated by law but it follows social norms and communal practices, which are equally enforced at community level.

The move towards greater institutionalization of social protection is not surprising given trends such as the individualization of societies, urbanization and massive covariate shocks such as HIV and AIDS, floods and droughts which are difficult for informal networks to buffer alone. The disregard of informal mechanisms in social protection policy making, however, comes as a surprise (Devereux and Getu 2013). In many official definitions of social protection by international organizations, the ‘informal’ went missing, despite the fact that informal mechanisms constitute the primary social protection mechanism for the majority of people in developing countries (Hebo 2013; Awortwi 2018). This is particularly the case in unstable contexts where the capacity of the state is weak (Chirisa 2013; Jenson 2015; Humphrey et al. 2019).

Are informal schemes being gradually replaced by formal mechanisms? Formal social protection can crowd informal social protection out, crowd it in and the two can also be complementary. The evidence up to this point is mixed. Formal provision might lead to significant reductions in informal transfers (Strupat and Klohn 2018), even just the mere availability and not the take-up as such (Lenel and Steiner 2017). This however can also relieve network members of unproductive practices of dissaving and hoarding illiquid assets (Di Falco and Bulte 2011). Public transfers can disrupt social relations (MacAuslan and Riemenschneider 2011) and thereby endanger future risk sharing at familial or network level. Studies have, however, equally shown that transfers allowed recipients to participate in informal risk-sharing networks (Daidone et al. 2015) and that formal protection through informal networks had important spill-over effects for non-beneficiaries (Carraro and Ferrone 2019). Potentially more thinking has to go into how formal and informal mechanisms can be best complemented so that formal social protection mechanisms don’t replace functional informal practices (Devereux and Getu 2013).

Informal social protection is not likely to fade away completely as social protection systems formalize. Even in the established welfare states, social protection continues to be provided informally. In particular for the elderly and for people with disability, family and friends remain the most important care providers (Bettio and Verashchagina 2012) with the contribution by the informal sector being as large as the National Health Service for the United Kingdom (Powell 2019a, 2805). So it rather depends on the role that the social protection system accords to the family, which can range from granting the family great autonomy and complementing benefits where necessary to substituting family services and benefits to specifically promoting families (Daly 2010). It is therefore up to the state and citizens to define which informal social protection practices should be given more prominence in policy making around social protection.
Discussion Point 2: Contracting Out – Risky Business or Sensible Decision?

The drive in the 1980s towards greater efficiency reduced the presence of government in service provision and led to a privatization wave. The expectation was to cut costs and to increase effectiveness through innovations and services that would be better tailored to the needs of the target group. However, in practice this proved to be more difficult. Privatization can take on different forms, depending on for instance the level at which private elements are inserted (Kuptsch 2017): there is the institutional level where a private provider such as a private health insurance offers additional benefits or coexists next to a public health insurance. There is the administrative level where service provision or more administrative functions such as contribution collection or accounting is outsourced by the public sector. And there is privatization at the level of cost payments where private employers or individuals are asked to cover part of the bill. These different forms of privatization come with different implications for access, quality, financial protection and the distributional effects.

We will focus on the administrative level and the decision of when services should be contracted out, as this is the most relevant aspect for public transfer schemes. This decision is eventually similar to the make or buy decision of firms with the main difference being that responsibility is rarely contracted out completely but often shared. But even this sharing of responsibility can take on different forms and come with different risks attached (Morgan and Campbell 2011). The government can decide which functions it wants to delegate. While areas such as the payment of benefits and the management of information technology services are less controversial, the determination of applicants’ eligibility or conflict resolution is more delicate and hands more power to the private provider. The question of whether the private contractor bears the risk and can deny services also has an effect on the services offered as well as on the coverage of people who are hard to reach. The quality of service depends on the locus of decision making, whether the private provider is directly contracted by the government or selected by recipients. Even though online portals might make it easier for customers to compare and contrast service providers, the government might be in a better position to exercise more rigorous quality control through a bidding process than the individual.

In line with Coase’s theory of the firm, contracting out is not always a sensible decision, in particular when transaction costs are high, products are not standardized, the market is not competitive and the services outsourced are similar to core processes performed by the administration (Super 2008, 413–27). Transaction costs of contracting out can be extremely high because bidding processes are often complicated and time-intensive, monitoring the performance of providers can be difficult and measures against failure need to be upheld because recipients have an entitlement to receive the benefits. Public benefit programmes are often multifaceted, which makes the structuring and enforcing of contracts complicated. It is difficult to agree on appropriate quality measures and while needs of the target group evolve, the contract cannot be easily restructured, which might stifle rather than promote innovation. Markets in the area of benefit/service provision for social protection are not competitive but resemble natural monopolies. A contractor, once in place, always has an advantage because the infrastructure and skillset is acquired, and the likelihood of failure is also low with the state bearing the risk and eventually bailing out. Whether bureaucrats are better administrators or contract managers depends on the specificity of the service provided and on the complexity of the contract. If contractors are supposed to duplicate the services provided by the government
and the government finds it difficult to structure and enforce contracts, then contracting out might not be the most efficient choice after all.

Efficiency should also not exclusively guide the choice of contracting out (Jensen and Stonecash 2005). The quality and out-reach of services are equally important. This means preventing for instance that private service providers revert to creaming and parking, focusing on those who are easy to reach and wean off rather than those who need most support (Finn 2015). For the quality of services and in particular from a systems perspective, it also needs to be guaranteed that recipients get access to support services that are effectively bundled up and not working in silos. Quality of services requires that the data on clients are used to improve policy making over time. Data and the information about the process being in the hands of private providers and contractors having their own mandate and self-interests might prove counterproductive in this regard.

The current evidence base on the effects of contracting out in the social sector remains inconclusive at best, partly because there are many different dimensions to measure (effects on cost savings, productivity of workers and effects on customers) and it is methodologically challenging to do so (Jensen and Stonecash 2005; Petersen et al. 2018). The evidence base for low- and middle-income countries is yet to develop with some initial findings on the positive effects of contracting out payments to financial providers (Aker et al. 2016; Atanda 2019; Masino and Niño-Zarazúa 2020). In order to maximize the effect and minimize the risks of contracting out, contracts need to be carefully designed. Contracts should have a clear outcome focus that does not only focus on quick fixes but also a long-term perspective. It is important to have an agreement about the data collected and shared. And in an attempt to bind private providers to the principles of openness, fairness, participation and impartiality, it might be worthwhile considering in what ways private providers could be subjected to public and human rights law (Donnelly 2011).

Discussion Point 3: Civil Society – The Chameleon in Social Protection?

CSOs have a long history in generating social protection and providing services even more extensively than states in many countries (Cammett and MacLean 2014b). In some contexts, they replace state action, in others they provide services as an integral part of the public social protection system or take over complementary tasks to tackle complex situations of poverty and exclusion.

However, the provision of services is by far not the only contribution of the broad variety of civil society actors in social protection. NGOs, faith-based actors, community-based organizations, advocacy groups and social movements – as diverse as the organizations that conform civil society are the roles they assume. CSOs intervene in all stages of the policy cycle of social protection (see Figure 10.2).

The National Civil Society Platform in Costa Rica for instance initiated a national social dialogue demanding the extension of health insurance coverage for domestic workers on a lower contributory base – and succeeded (Friedrich-Ebert-Stiftung 2019). The South African Community Works policy design became more responsive to the needs of marginalized populations after bottom-up planning processes were facilitated by CSOs. Instead of classical infrastructure development, public work programmes then also allowed for care work projects for children and older citizens, opening opportunities for new participants formerly bound at home and excluded from programme access (Ehmke and Khayaat 2016). The monitoring efforts of
Some authors also suggest a dilemma of conflicting roles between service provision and involvement in the political struggle for structural change. Especially externally financed humanitarian and developmental CSOs may suffer from the pressure of a ‘sector that is increasingly focused on short-term results and value for money’ and consequently achieve ‘palliative rather than transformative effects’ (Banks et al. 2015, 707–8). Depending on their institutional capacity, their embeddedness in national networks, the size and sources of their funding and their degree of autonomy, they may be able to successfully live up to different roles or eventually remain limited to service provision.

However, civil society is not always welcome to take over the variety of possible roles. In some countries, governments have been very wary of CSOs creating a parallel structure to the
state or gaining political strength and have tried to curtail their role via regulation, administrative barriers or shrinking spaces for participation.

A condition for relevant political contributions beyond service provision is the existence of a diverse, interconnected and vital civil society. If CSOs mainly represent vested interests of privileged groups, their contribution will resemble and reinforce inequality of society. Civil society can make a difference, if diverse community-based organizations and trade unions, faith-based actors and advocacy groups are able to connect and work unanimously for social protection goals, raising awareness and political sensitivity, creating social pressure and contributing expertise (Friedrich-Ebert-Stiftung 2014). Politically active CSOs also require political will and accommodating institutional conditions on the governmental side such as transparency, information sharing and openness for social dialogue. Serious involvement of civil society can then generate sustainable broad-based support for social protection and reaffirm the social contract.

Discussion Point 4: Is Social Protection Only a National Affair?

Social protection needs to be regulated by national governments. Its provision has to respond to local demands, build on national capacities, and be financed out of national budgets. But, even if at first sight social protection seems to be mainly a domestic affair, international actors intervene in all these dimensions.

It is not only on international platforms where governments, international organizations, development agencies and international NGOs struggle to influence the discourse and develop standards, instruments and joint commitments that later contribute to frame national policy making (Leisering 2019). Bi- and multilateral development agencies also engage directly with national governments on the regulation of social protection systems. They provide access to information and data, analytical work and technical knowledge that inform and, in some cases, influence strategic policy decisions. A recent study on donor engagement in social protection concludes that ‘one of the most important roles for development partners over the past two decades has been the provision of technical assistance to develop national social protection strategies’ (OECD Development Centre 2019, 15).

International actors also get directly involved in the provision of social protection. Bi- and multilateral development agencies support the implementation of pilot programmes. International humanitarian actors often provide their emergency transfer programmes directly (see Chapter 16), substituting non-existent channels for provision or creating parallel institutions (European Union 2019). International private sector actors are involved in the provision of social protection via public–private partnerships and other forms of private-sector involvement.

Development agencies, international NGOs and universities engage in strengthening national implementation capacity at local, regional and national levels by offering training or facilitating exchange between practitioners. At the same time international actors compromise national capacity: market incentives such as wage differentials as well as direct recruitment lead to brain drain of professionals from the social protection sector, mainly in the areas of health and care (OECD 2015).

The interrelation with international actors is even more important in the financing dimension. To create and expand fiscal space for social protection financing, countries need to collect taxes. Multinational corporations can either make contributions or use opportunities
provided for tax evasion and avoidance. States offer competing tax incentives to foreign investors and contribute to a fiscal ‘race to the bottom’. This often erodes national tax bases in those countries where resources to cover social protection floors are already scarce. To effectively protect and enhance national fiscal space, regulation and enforcement on the international level is inevitable.

Social protection financing is especially strained in times of crisis, responding to climate change-related natural disasters, the reception of refugees or economic distress. Most crises are not (exclusively) homemade nor mere national affairs. Neither is their mitigation. Public and private international actors eventually intervene providing aid, reinsurance or credit. Different proposals are on the table to create a reliable international financing mechanism (see Chapter 7), as a means for richer states to meet their legal and moral obligation to assist countries in crises and least developed countries to fulfil the human right to social protection (Cichon 2015; Schutter and Sepúlveda 2012).

While the interplay with international actors can broaden national opportunities and seek solutions for risks that go beyond national borders, it also adds further complexities. All actors bring in their own agenda and pursue their own interests. This imposes important challenges to national governments to own and govern social protection and to achieve a coherent system approach for the common good. It also requires the international community to build an enabling international architecture and to deliver on international agreements. To consider social protection a purely national affair neglects the inextricable interdependencies in a globalized world as well as human rights and international commitments.

10.6 CONCLUSION

Social protection is by far not only a state’s affair, let alone a national state’s affair. National governments need to own and govern social protection, setting standards and defining procedures, strengthening institutions and exercising control. The state has the ultimate role to guarantee the human right to social protection. But the other actors next to the state also deserve recognition. There is a need for more creative thinking as well as evidence on how actors can best interact and jointly provide social protection in a low- and middle-income country context. Improving overall coordination of actors and sectors constitutes a major challenge but should be a high priority.

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2 There is an international responsibility to deliver on the human right to social protection, as backed by the extraterritorial state obligations agreed upon in the International Covenant on Economic, Social and Cultural Rights (Art. 2.1) and reconfirmed in international declarations and recommendations (Addis Ababa Action Agenda on Global Social Compact, ILO R.202 2012 on social protection floors, Sustainable Development Goal 1.3 on universal social protection).
REFERENCES


