45. Inequality and global social policy: policies, actors and strategies

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This contribution briefly reviews the ways in which global processes of financialization, free trade and knowledge protection have been acting since the late 1970s to generate intra-national inequality and simultaneously deny national governments the autonomy to act to reduce them. It then reviews the ways in which potential reforms to global and regional social governance and global social policy might help reduce inequalities, both within and between countries. These include policies for more effective redistribution (for example global tax cooperation and global funds), more socially responsible regulation (in for example regional trade agreements) and strengthened access to social rights. Finally, the geopolitical obstacles to the implementation of these reforms are assessed and possible strategies to overcome them are discussed. The Sustainable Development Goals (SDGs), Agenda 2030 and the Addis Ababa Action Agenda (AAAA) are used to illustrate the discussion.

In the context of increased global economic interconnectedness, national social and economic policies alone cannot effectively address inequalities within and between countries. Existing global arrangements for economic and social governance prevent countries from having autonomy over some policy options that might increase equity. Global social policies that could contribute to the reduction of inequities are not always in place for various geopolitical reasons.

Competing advice on national social policy

The governance of the social at the global level is complex (Deacon, 2007, 2013*a*; Kaasch and Martens, 2015; Kaasch and Stubbs, 2014). A number of competing institutions help shape global social policy, through both policy advice to countries and constructing transnational economic and social policies for redistribution, regulation and rights. This competition between the International Monetary Fund (IMF), the World Bank, the UN Social Agencies and the Organisation for Economic Co-operation and Development (OECD) for the right to shape policy and its content passes for an effective system of international social governance.

The international non-governmental organization (INGO) community, transnational civil society movements and emerging club groupings, such as the G20, are also engaged. The struggle between the G77, which favour a greater role for the United Nations in global economic and social governance, and the European Union, the USA and other developed countries, which put more emphasis on the OECD, has generated a North–South stalemate, preventing the development of more effective institutions of global governance.

Existing global processes of financialization and free trade, combined paradoxically with the protection of intellectual property rights, often limit national governments' capacity to develop effective taxation and regulation policies to address inequality (George, 2015). Despite a short-lived interest in fiscal stimulus policies, the global financial crisis has led to austerity policies. The residual social policies that result are unable to counter structurally induced inequalities in most countries (McBride et al., 2015; Ortiz et. al., 2015).

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The World Bank, the OECD and even the IMF increasingly regard widening inequities within countries as undesirable because of their negative impact on economic policy. This is a positive development. There is therefore some room for hope for the strand of global social policy that involves advice to governments on national social policies. Exemplifying this shift, the OECD argues that 'inequality hurts economic growth …. policies to reduce income inequalities should not only be pursued to improve social outcomes, but also to sustain long-term growth' (2014).

Competing institutions of global social governance

Stalemate at the United Nations?

Let me turn now to the strand of global social policy focused on transnational processes; to redistribution, social regulation and social rights policies; and to the global social governance institutions that might implement them. The SDGs, the associated Agenda 2030 (United Nations, 2015*a*) and the Finance for Development summit leading to the Addis Ababa Action Agenda (AAAA) (United Nations, 2015*b*) provide indications that global social policy and governance reform are undergoing only limited development. SDG 17, concerned with 'Strengthening the means of implementation', calls for better domestic resource mobilization, and for international support for improvements in domestic capacity for tax and other revenue collection. But as far as global redistribution is concerned, it simply repeats (17.2) the long-held aspiration that developed countries should provide 0.7 per cent of their GNI for official development assistance. Rather than tackling the issue of building a UN-based global tax authority, called for by the G77, or offering detailed reforms of the OECD's attempts to lessen the effectiveness of tax havens, the final document simply issues a vague call to 'mobilize additional resources for developing countries from multiple sources' (17.3) (see also Deacon, 2016). The AAAA also omits the G77 call for a UN-based tax authority.

On global social regulation, SDG 17 has even less to contribute. There is a general and unspecified call to 'promote a universal, rules-based, open, non-discriminatory multilateral trading system under the WTO (World Trade Organization)' (17.10). This call ignores the failure of the Doha round of trade talks and the bypassing of the WTO by intercontinental trade deals, which have been challenged for their potential impact on social provision. The contested issue of countries trading on their comparative advantage of low labour or social standards is not mentioned.

How the world might better realize global social rights is not mentioned in Agenda 2030. For example, it does not refer to the call by the Human Rights Special Rapporteurs on Food Security and Extreme Poverty to establish a global fund for social protection similar to the global fund for health (Schutte and Sepulveda, 2013).

So why is global social policy reform, and the strengthening of global social governance, in such a poor state, and what might be done? An explanation may be found in SDG Target 17.15, which calls for '[r]espect [for] each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development'. The Global South movement, forged in the struggle against the IMF and World Bank's imposition of a one-size-fits-all privatizing and residualizing social and economic policy in the 1980s and 1990s, strongly influenced the international and intergovernmental discussions around the SDGs and the AAAA. The priority of many governments and social movements in the Global South is to escape neoliberal globalization, which they perceive as Northern-driven. This makes it difficult for them to come together with progressive forces and countries in the Global North to fashion a new, socially just redistributive and regulatory global economic and social policy, with stronger institutions for global social governance. The call for a global tax authority is perhaps one exception to the Southern countries' demand for increased sovereignty. This does not mean that the conflict is only North–South. It is also about the power of global capital and global labour. The International Trade Union Confederation (ITUC) (2015) argued that 'the Addis Ababa Action Agenda (AAAA) is empty of ambition and achieves little in terms of identifiable and concrete commitment, especially in the areas of international cooperation on tax, financial, trade and systemic issues'.

Progress at the G20 and in world regions?

Is there a more optimistic story? Some suggest the G20 is central to a more positive assessment. Jiejin Zhu (2016) argues that the G20 is:

> *in transition from a short-term crisis institution to long-term steering institution, adopting a new 'G20 + established international organization' governance approach. In this approach, the main role of the G20 is to set the agenda and build political consensus for global economic governance. The established international organization provides the technical support and facilitates proposal implementation.*

Colin Bradford (2015) of the Brookings Institution has suggested that the task of implementing the SDGs falls to the G20. I have noted the G20's new role in working with the ILO to establish the Social Protection Inter Agency Cooperation Board (SPIAC-B), jointly chaired by the World Bank and ILO (Deacon, 2013*b*). Kirton and colleagues (2015, p. 112) note the G20's gradually increased role in the global governance of social policy, although its capacity to progress change is hindered by its lack of a permanent secretariat. The G20 meeting in Australia:

> *set up a 2-year tax reform program under the auspices of the OECD that would include several new requirements: (a) multinational disclosures to tax offices must detail their global activities country by country, (b) tougher rules so that digital multinationals will not be able to claim they are not operating in a country if they do not have a substantial number of employees located there, and (c) countries are to develop cross-border policies to harmonize tax breaks. (Bowers, 2015)*

Despite the European Union's current travails, the regional level of governance is also regarded as a policy space where cross-border redistribution, regulation and rights might be advanced to counter fundamentalist neoliberal free trade and financialization. Assessing the combination of the SDGs, Agenda 2030 and the AAAA from this standpoint, Yeates (2015) suggests that 'there are three principal conceptions of regional governance and policy instruments embedded in these frameworks'. These are regional fora for policy sharing, regional standard setting and regional resource mobilization and allocation.

Given the relative decline of the WTO, trade deals are increasingly inter-regional. Consequently, cross-border social regulations to help reduce inequities could also be discussed at the inter-regional level. Taking the Transatlantic Trade and Investment Partnership (TTIP) deal between the USA and the European Union as an example, De Ville and Siles-Brugge (2016, p. 138) find that the suggested Investor State Disputes Settlement processes within this deal threaten social standards. They also argue that in principle, the agreement could 'eliminate regulatory differences by consistently harmonising upwards. They [the USA and European Union] could also levy taxes at the border that would level the playing field in social, environmental and other areas not only among themselves but with the rest of the world.' They acknowledge that for this to happen, there would need to be a greater civil society push within the USA. In other words, they argue that the NGO lobby should change the terms of the debate so that 'trade policy becomes an instrument to achieve other policy goals' (De Ville and Siles-Brugge, 2015, p. 140). This suggests a return in effect to the WTO, to the global labour standards debate and to the defeated 'social clause' argument, but at the inter-regional level. Certain civil society actors from the Global South might, however, regard this argument as European social protectionism once again.

Conclusion

In sum, widening global inequities require action at the national and supranational level, as well as at the global and world regional levels. Policy instruments and governance arrangements to achieve this are easy to imagine. Regarding international organizations' advice to countries on overcoming inequality, there is an increased global policy synergy on strengthening tax capacity. At the transnational level, negotiating with global business and capital, as well as overcoming historically generated North–South differences about which agencies should be authorized to address the issues, is more difficult. This issue should be the strategic concern of all social movements and of all global policy entrepreneurs concerned with reducing world inequality.

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