

## Social Policies in the Context of Globalization

Assist. Prof. Cristina ILIE, Ph.D.

Department of Sociology, Philosophy, Faculty of Law and Social Sciences, University of Craiova

Str. A. I. Cuza, no. 13, Craiova, Romania

Email: cristin\_il@yahoo.com

Lecturer Ionuț Șerban, Ph.D.

Department of Administrative Sciences, History and Political Science

Faculty of Law Social Sciences, University of Craiova

Str. A. I. Cuza, no. 13, Craiova, Romania

Email: johnutzerban@yahoo.com

DOI Link: <http://dx.doi.org/10.6007/IJARBS/v4-i2/664>

**Published Date:** 24 February 2014

### Abstract

This article performs a theoretical description of the concepts of social policy and globalization highlighting the correlation between the two most important aspects of modern society – the social policies and globalizations – aspects that influences the entire modern society. We focus on the definition and evolution of social policies, analyzing its perspectives and it's contrasting models or features. We also present the definition of globalization emphasizing one of its more important effects, namely increasing social inequalities, social and geographical polarization. The article also points out the impact of globalization on social policies, the arguments justifying the maintenance and development of social policies and the role of social policy in a globalized world.

**Keywords:** Social Policy, Globalization, Social Welfare

### 1. Introduction

In the globalization era, modern societies are more and more focused on the leveling the social welfare of its subjects, no matter the field or policy. Patterns are followed and models are borrowed from the more advanced societies – especially the western ones – in order to decrease disparities, which appear more often in the eastern societies that had suffered for many years of a closed up society with no differences how so ever between individuals. After the fall of the iron curtain, a new era of globalization started, era that caught totally unprepared the new free emerged societies. Here comes the role of the social policies, most vital one, to try to equal the odds for those frail societies in order to give to its subjects a chance to a better and prosper life, a life to which all individuals are entitle to regardless of their gender, religion, color or political sympathies.

This is, in fact, the essence of the Declaration of the Rights of Man and of the Citizen (1789) and of the Universal Declaration on Human Rights (1948) that are based on the freedom, equality and welfare of all humans, aspects that social policies are trying to accomplish in the new era of globalization.

## **2. The concept of social policy**

According to Julia Tao, Social policy can be thus defined:

1. It is a direct policy or action in the public sphere undertaken to achieve certain goals;
2. It is oriented towards social welfare, whether we are talking about human needs, skills progress, active participation, equity, justice, etc;
3. It operates through various instruments such as: support for agriculture, education, health and social protection;
4. It is formulated and implemented by a variety of actors that act in the public sphere.

Hence, the author deduces that social policy is not confined to the nation - state, but can extend to regions, localities and associations, anywhere we can identify a “public sphere” and including to transnational and global actors (Tao 2004).

The term social policies most often refers to activities/actions performed by/through the state (legislation, actions, institutions, strategies, programs, projects) and their purpose is to promote / influence the welfare of the individual, family and community in a society, but also the welfare of society as a whole (Preda 2002).

Social policies are defined as those public deliberate strategies used to generate economic growth and thus meet certain objectives and social needs. They are, by definition, culturally and socially specific (Morales–Gomez et al. 2002).

Social policy includes the principles and activities of a society that guides how the state regulates and intervenes in the relationships between individuals, groups, communities and social institutions (Poede 2002).

Social policy refers to government policy which consists of those actions which have a direct impact on the welfare of citizens, by providing some services or incomes. Thus, the main actions consist of social security, public assistance, health and welfare services as well as housing and crime fighting policies (Marshall 1967).

Alan Walker said that social policy represents the institutionalized control of services, agencies and organizations in order to maintain or change social structure and values. Sometimes this control can be extremely aware and very clearly expressed by the spokesmen of governments or other people, sometimes it can be unspoken or even unrecognized (Walker 2010).

Social policy can be best conceived as a society management plan through social purposes: it can be defined as support as well as reason of social institutions and groups to ensure social conservation or its development.

Social policies, which societies have given rise to, can be understood as ways in which the society recognizes the interdependence of its members. Richard Titmuss in 1955, argued that what we know as the “welfare state” is a result of the fact that: “more and more “dependence states” were defined and recognized as collective responsibilities and more and more differential supplies were made based on them. These dependence states appear among the majority of the population which is not able to “earn its living” for its own family; so they become dependent population. In industrialized societies, there are many causes for

dependence: they can be “natural” dependences such as children, the elderly or pregnant people. They can be caused by physical or psychological disabilities or by certain diseases; these are culturally determined dependencies. Or they can be determined mainly by social and cultural factors. We can say that these are dependencies created by man” (Dean 2010).

Ever since Richard Titmuss wrote these judgments the world has evolved in the era of information technology, most industrialized societies are now seen as “post - industrialized”. Currently, social policies can stigmatize, exclude or control, voluntarily or involuntarily, certain individuals or groups of people and, thus, can hinder their personal autonomy, so necessary for human welfare. Social policy - as a field of study for social sciences, is concerned with the way in which social policies fail or not to promote the welfare of individuals as well as to know their possible counterproductive effects. Therefore, social policies aim at knowing how people can gain a better life (Dean 2010).

There are two analysis perspectives of social policies, which also Titmuss mentions:

1. *Normative*: We are concerned “by some principles and objectives” related to certain areas of life and social organization, social policies representing a tool to promote altruism in the detriment of selfishness.

2. *Instrumental*: or “based on action methods and techniques, management, organization or application of game theory”, social policies effectively representing a tool to ensure minimum standards and opportunities.

Professor Thomas Marshall is more practical and grounded in reality and claims that: Social policies “often refers to the actions of governments that have a direct impact on the welfare of citizens by providing services and incomes to them. Therefore, the core consists of social security, public (or national) assistance, health and welfare services, and housing policies. Also, this includes housing policies and crime fighting” (Marshall 1965).

Again, social policy is considered to be beneficial, redistributive and concerned with the economic as well as non - economic objectives. Under other definitions, social policy is all about “what is and what could be”, contributing to certain choices and social changes. To better understand the construction of social policy it is useful to consider three contrasting models or features of social policy.

The three models can be described as follows:

#### 1. *The Residual Welfare Model of Social Policy*

This model assumes that there are two channels through which the individual’s needs are met adequately: the private market and family. Only when this two collapse, the institutions of the welfare state will get into the action.

#### 2. *The industrial Achievement - Performance Model of Social Policy*

This model argues that social needs should be met on the basis of merit, productivity and work performances, especially analyzing incentives, reward, effort and training class and group memberships.

#### 3. *The Institutional Redistributive Model of Social Policy*

In this model, social welfare is viewed as providing universalist services outside the market. The model is based on the principle of necessity and also on the effects of social changes and the social equality principle (Titmuss, 1974).

One of the most popular contrasting models or features of social policy is the classification of Esping-Andersen in the paper *The three worlds of welfare capitalism*. The classification proposed by him is criticized by several authors as being incomplete, but with all the comments, the classification of Esping-Andersen has a relevant importance in the welfare state research.

In conclusion, Hartley Dean in 2010 said that social policies involve studying human welfare, the social relations that lead to welfare and the systems through which welfare can be promoted. The author said that social policies are multidisciplinary and interdisciplinary: that they are based on the nature of human interdependence; that they are related to governments' concerns on health, social security, education, social services, and that they increase people's chances of getting a better life.

At the beginning of the XXI century it was promoted the idea that social policies are a part of the primary functions of the state. Successfully implemented social policies have the possibility to improve employment and development, limiting marginalization and the apparition of social conflicts. These policies are an essential part of any *National and Regional Development Strategy*.

### **3. The concept of globalization**

The concept of globalization is one with many faces, incorporating the economic, cultural, technological, social and political dimensions. From an economic perspective, the focus is on increasing international trade and transactions. However, as Dickens explains, the development of a global economy is a process with deep roots in history (Kennett 2001).

According to Anthony Giddens globalization represents "the intensification of worldwide social relations which link in such a way distant localities as events that occur locally are seen through the eyes of others similar, occurring many miles away and vice versa" (Giddens 2000).

A definition of globalization that is worth mentioning, from our point of view is that according to which "Globalization is the process by which geographic distance becomes a less and less important factor in the establishment and development of cross-border economic political and socio-cultural relations. Networks of relationships and dependencies acquire a growing potential to become international and global" (Bari 2003).

An important factor of change in the context of local and regional development has been the globalization process. With high mobility of capital, workers, goods and services, globalization changes the rules that economy went by long after the war. Globalization, which, to some extent, can be a social and political concept invented by the state and neo-liberal economic actors (Peck 1999), exposes even the most remote areas to competition and forces economic and social actors to adapt to new economic conditions, restructuring production and modernizing. Some took advantage of the opportunities offered by globalized society, but many economic agents did not have the strength to resist in a globalized environment, thus leading to the restructure and even closure of local production structures, resulting in high unemployment and a degradation of working conditions (Pike et al. 2006).

Globalization and the lack of regulation in economy may have as effect including the increase of territorial and social inequalities in many countries, and that have liberalized their economy (Wade 2004). Some social groups and places are excluded from profitable activities (Dowling 2001). In this globalized society, productivity is related to technological progress. The new production methods generates efficiency, productivity, but also a smaller number of jobs, especially for the workers with low education (Schneider & Enste 2000). The economy influenced by the globalization, is characterized by greater social and geographical polarization.

Nowadays we can clearly determine two categories of people: those with high education and stable jobs, and the category of people which have a low level of education and don't have stable jobs (Esping-Andersen 1999).

From a territorial point of view, only some regions and localities benefit of the globalization. According to Andy Pike, Andrés Rodríguez - Pose and John Tomaney, the "winning" regions can be divided into three categories: *Large metropolitan areas*, *Intermediate industrial regions* and *Tourist regions* (Pike et al. 2006).

Globalization has made that economic activity to be relatively more mobile and lighter. However, the ability to invest globally increased the sensitivity to local and regional differences (Storper 1997). Improvements in information technology contribute to the *relocation* of industrial and agricultural production, the only area less affected by this relocation being the services (Pike et al. 2006). Thus, for example, traditional agricultural regions have fallen because their marketplaces have been flooded by cheaper agricultural products coming from regions more advanced technologically (Henson and Loader 2001).

The exchange of goods between the EU and the rest of the world states has increased massively until the recent crisis, reflecting the increasing globalization. Mainly, the growth consists in intra - sectoral and intra - corporate trade, as more frequently, major companies place different parts of production in various parts of the world, such a production system increasing the demand for systems of command, control and logistics. This process creates opportunities but also threats for the EU regions. The sectors in which the EU has become less competitive include metal, textiles and electrical and optical equipment industries. At the same time in the European Union the service sector developed very much, holding a market share higher in this area than it holds in the exchange of goods (European Commission 2010).

Globalization as well as the apparition of the major characters on the stage of international trade, are the elements that have had a major impact on the EU economy, the export and import of goods being, at this time, a positive element for the EU's GDP, even if the commercial balance of goods has regressed in the last decade, from a positive value to a negative value. Even in these conditions, trade in services has intensified rapidly, so that the positive commercial balance in this area has grown, thus highlighting the strong global position which the European Union holds in this area.

#### 4. Conclusion

In the book *Global Social Policy and Governance*, Bob Deacon said that globalization has a strong impact on social policies through the following elements:

- *It challenges the welfare states to be in competition with each other.*
- *Brings new players in the conception of social policy (such as the IMF, World Bank, WTO, and UN agencies such as WHO, ILO).*
- *It puts attention to problems belonging to social policy, namely redistribution, regulation and rights to a supranational level that has both a regional (EU, ASEAN, MERCOSUR, SADC and so on) and a global dimension.*
- *It creates a private global market in the area of social benefits.*
- *It encourages a global movement of peoples that defy territorial structures and theories regarding the obligation of states to ensure welfare and the related rights* (Deacon 2010).

Isabel Ortiz is the one who gives us the most plausible arguments justifying the maintenance and development of social policies. She starts from the idea that inequality is

condemned in the first place by the main human rights defense documents, such as the *Universal Declaration of Human Rights*. Also, the author explains that investing in individuals will lead to the quality of labor productivity, and the growth of poor revenues implies the increase of consumption, domestic demand and thus of economy. Also, among children, poverty affects health, accentuates the demographic decline and reduces intelligence leading to a decrease in productivity. At the same time, the author focuses on the tensions created in societies profoundly affected by poverty. Her conclusion is that economic and social policies should be a basic component of the development strategy of each state (Ortiz 2007).

Social policies have an important role in a globalized world. Inequality in the world is very large in terms of income distribution. Thus James Davies Rodrigo Lluberas and Anthony F. Shorrocks in the OECD World Forum, in New Delhi, presented the communication *Measuring the Global Distribution of Wealth*, which shows that in 2012, a percentage of 0.6 % of the world's population owned 39.3 % of the global wealth and 7.5 % of the world's population had 43.1 % of total global assets, opposed to 69.3 % of the population who only had 3.3 % of total global assets. Given this inequality, the implementation of social policies is inevitable, both from a humanitarian point of view, to support people in need, but also for the need to maintain a social, economic and political stability.

## References

Bari, I. (2003). *Probleme globale contemporane* (Contemporary Global Issues). Bucharest: Economica Publishing House.

Davies, J., Lluberas, R., & Shorrocks, A. F. (2012) *Measuring the Global Distribution of Wealth*. OCED World Forum. New Delhi. Retrieved October 17, 2012, from <http://www.oecd.org/site/worldforumindia/Davies.pdf>.

Deacon, B. (2007). *Global Social Policy and Governance*. London: Sage Publications.

Dean, H. (2010) *Understanding Human Need: Social Issues, Policy and Practice*. Bristol: The policy Press.

Dowling, M. (1999). Social exclusion, inequality and social work. *Social Policy and Administration*, 33(3), 245–261.

Esping-Andersen, G. (1999). *Social Foundations of Postindustrial Economies*. Oxford: Oxford University Press.

European Commission (2010). *Investing in Europe's future. Fifth report on economic, social and territorial cohesion*. Belgium. Retrieved November, 2010, from [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/cohesion5/pdf/5cr\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion5/pdf/5cr_en.pdf).

Giddens, A. (2000). *Sociologie* (Sociology). Bucharest: Bic All Publishing House.

Henson, S., & Loader, R. (2001). Barriers to agricultural exports from developing countries: the role of sanitary and phytosanitary requirements. *World Development*, 29(1), 85–102.

Kennett, P. (2001). *Comparative social policy. Theory and research*. Buckingham: Open University Pres.

Marshall, T., H. (1965). *Social Policy*. London: *Hutchinson*.

Marshall, T. H (1967). *Social Policy in twentieth century*. First Edition. London: Huntcison.

Morales-Gomez, D., Tschirgi, N., Moher, J. (2000). *Reforming social policy. Chancing perspectives on sustainable human development*. Ottawa: International Development Research Centre Publishing House.

Ortiz, I. (2007). *Social Policy. National Development Strategies- Policy Notes*. United Nation- Department for economic and social affairs (UNDESA). New York. Retrieved June, 2007, from [http://esa.un.org/techcoop/documents/PN\\_SocialPolicyNote.pdf](http://esa.un.org/techcoop/documents/PN_SocialPolicyNote.pdf) .

Peck, J. (1999). Neoliberalizing states: thin policies/hard outcomes. *Progress in Human Geography*, 25(3), 445–455

Pike, A., Rodríguez-Pose, A., Tomaney, J. (2006). *Local and Regional Development*. New York: Routledge.

Poede, G. (2002). *Politici sociale. Abordare politologica (Social Policy. Political scientists approach)*. Iasi: Moldova Publishing House.

Preda, M. (2002) *Politici sociale (Social policies)*. In Pop, L. M. (Ed.), *Dicționar de politici sociale (Dictionary of Social Policies)* (pp. 598- 609). Bucharest: Expert Publishing House.

Schneider, F., & Enste, D. (2000). Shadow economies: size, causes, and consequences. *Journal of Economic Literature*, 38, 77–114.

Storper, M. (1997). *The Regional World: Territorial Development in a Global Economy*. London: Guilford.

Tao, J. (2004). The paradox of care: a Chinese Confucian perspective on long term care. In Kennett, P. (Ed.), *A handbook of Comparative social Policy* (pp. 240-241). Northampton-Massachusetts: Edward Elgar Publishing.

Titmuss, R. M. (1974). What is Social Policy. In Abel-Smith, B and Titmuss, K. (Eds). *Social Policy: An Introduction* (23–32). New York: Pantheon Books, A Division of Random House.

Wade, R., H. (2004). Is globalization reducing poverty and inequality?. *World Development*, 32(4), 567–589.

Walker, A. (2010). Sociology and social policy. In Walker, A., Gordon, D., Levitas, R., Phillimore, P., Phillipson, C., Salomon, E. M., Yeates, N. (Eds.), *The Peter Townsend reader* (pp. 1-16). Bristol: Policy Press.