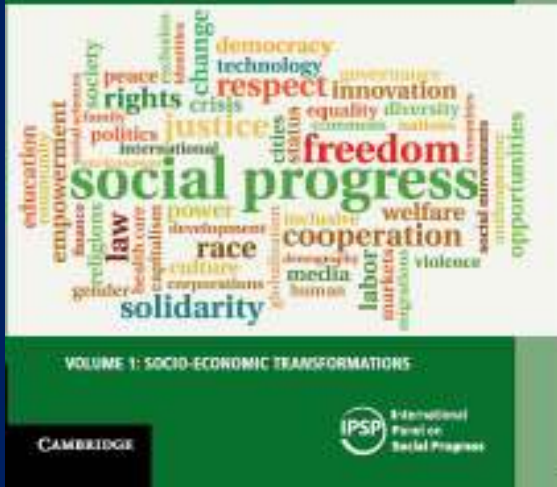


# RETHINKING SOCIETY FOR THE 21st CENTURY

Report of the International Panel  
on Social Progress



International Panel on Social Progress  
Rethinking Society for the 21st Century



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**INTERNATIONAL PANEL ON SOCIAL PROGRESS**

**2018 REPORT**

***RETHINKING SOCIETY FOR THE 21<sup>ST</sup> CENTURY***

**SUMMARY**



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## MISSION OF THE INTERNATIONAL PANEL ON SOCIAL PROGRESS AND AIMS OF THIS REPORT

### Why a panel on social progress?

There are many expert panels on issues ranging from biodiversity to chemical pollution or nuclear proliferation, and the most famous is now the Intergovernmental Panel on Climate Change. A few years ago, a small group of academics started to wonder: Why is there no panel about the promotion of social justice, about the search for a general set of better policies and better institutions—in a nutshell, for a better society? Many policy issues examined by the existing panels have deep societal roots in the economy, in politics, and in cultures and values. Addressing these deeper factors would ease the search for solutions in many domains.

This questioning turned out to be widely shared among social scientists, and motivated the launch of the International Panel on Social Progress (IPSP), in its first congress in Istanbul in 2015. The IPSP is a purely bottom-up initiative, started by a group of researchers. It is complementary to many ongoing efforts by various groups and organizations with which it is collaborating. The United Nations are pushing the ambitious Agenda 2030 and its associated Sustainable Development Goals (SDG); the OECD has launched multiple initiatives for a “better life”, for “inclusive growth”, as well as more technical efforts such as the fight against tax evasion; the World Bank has developed multiple approaches against poverty and inequality, and is not afraid of listening to the “voices of the poor” or of “rethinking the social contract”; the ILO articulates an agenda for the promotion of “decent work;” the Social Progress Imperative, also a bottom-up initiative of a few academics, seeks to promote social policies via a specific measurement approach meant to supplement economic indicators. These important efforts are just a few examples in a long list.

The International Panel on Social Progress distinguishes itself from other initiatives by combining three characteristics. First, it seeks to examine not just policy issues for the medium term but also structural and systemic issues for the long term. In other words, it is not afraid of asking existential questions about capitalism, socialism, democracy, religions, inequalities, and so on. A combination of intellectual caution, political conformism, and vested interests often prevent such existential questions from being explicitly discussed. But we should not be afraid to ask: What system should we aim for?

Second, the IPSP seeks to mobilize a uniquely wide set of perspectives, from all the relevant disciplines of social sciences and humanities as well as from all the continents. While the influence of the academic culture of developed countries remains strong in the Report, a substantial effort has been made to open the drafting effort to a global set of views and to present initiatives and case studies from developing countries. Social innovation is not a prerogative of the developed world, quite the contrary. The global South has been widely influential on many occasions in the far or more recent past and today it still generates many ideas and initiatives that can inspire the world.

Finally, the IPSP does not talk exclusively to the policy-makers in charge of governmental action. Given its coverage of long-term structural issues, its ideas for innovative action also, and



primarily, target the actors who are the real “change-makers” of society, namely, the many leaders and citizens who participate in public debates, who volunteer work in civil society organizations, and who push the official decision-makers out of their comfort zone. Social progress has always been, in the long run, a bottom-up affair, and ideas are a key fuel for its engine.

### **Social progress in sight**

The focus on “social progress” in this Report deserves some explanations, as the notion of progress has suffered from use and abuse by a particular elite who, since the industrial revolution, found it natural to lead the world according to its privileges and prejudices. The Panel refers to “social progress” to send a message. Social change is not a neutral matter, and, even if there are many conflicting views on how to conceive of a good or just society, this Panel takes the view that a compass is needed to parse the options that actors and decision-makers face. Moreover, the 20th century and the beginning of the 21st century have successively made most observers of society lose their faith in socialism and their trust in capitalism, leaving a general sense of disarray and disorientation. The message of this Panel is a message of hope: We can do better, this is not the end of history.

If a main message emerges from this three-volume Report, it is indeed that: 1) considerable progress has been made in the past centuries and humanity is at a peak of possibilities, but it now faces challenges that jeopardize its achievements and even its survival; 2) addressing these challenges and mobilizing our current collective capacities to the benefit of a wider population requires reforms that will hurt certain vested interests but rely on general principles that are readily available, involving an expansion of participatory governance and the promotion of equal dignity across persons, groups, and cultures; 3) there is not a unique direction of progress but multiple possibilities and many ideas that can be experimented, with variable adaptability to different economic, political, and cultural contexts.

### **Aims of the Report and additional resources on [www.ipsp.org](http://www.ipsp.org)**

The Report presented here is made of twenty-two chapters over three volumes. Every chapter is co-signed by a multidisciplinary team of authors and represents the views of this team, not necessarily the views of the whole panel. In total, more than 260 authors have been involved, with about 60% of contributors coming, in roughly equal proportions, from economics, sociology, and political science, and the remainder representing other disciplines. Each chapter starts with a long summary of its contents, so as to help readers navigate the Report.

The objective of the panel was to have every chapter team write a critical assessment of the state of the art in the topic covered in the chapter, acknowledging the ongoing debates and suggesting emerging consensus points. The initial objective was also to conclude every chapter with multiples recommendations for action and reform, with a transparent link to the diverse values that underlie the recommendations. These two objectives were encapsulated in the expressions “agree to disagree” and “conditional recommendations.” In the end, one can observe differences in the degree to which the chapters are able to cover all sides of the debates and to make concrete recommendations that relate to a diversity of possible values and goals. But this Report proves that a large group of specialists from different disciplines can work together and provide



a synthesis that no single brain could alone produce. This Report provides the reader with a unique overview of the state of society and the possible futures, with a mine of ideas of possible reforms and actions. For scholars and students, it also offers an exceptional guide to the literature in the relevant academic disciplines of social sciences and the humanities.

The drafting process involved the collection of thousands of online comments. Nevertheless, this Report reflects, as planned, the voice of academia rather than a broader group of thinkers or stakeholders. This is the contribution of a group of people who specialize in research. They offer their expertise and thoughts to the public debate, without seeking to bypass the democratic confrontation of projects. The readers are invited to take this Report as a resource, as a mine for ideas and arguments, as a tool for their own thought and action. They are also invited to engage with the Panel members and share their views and experiences.

Some of the chapters have longer versions, with more detailed analysis, more data, or case studies, which are available in open access on the IPSP website ([www.ipsp.org](http://www.ipsp.org)), along with videos of the authors and teaching resources. Visitors of the website are also invited to provide comments and to participate in surveys and forums.

### **Outline of the Report**

The Report is divided into three parts, together with two introductory chapters and two concluding chapters. The introductory chapters lay out the main social trends that form the background of this Report (Chapter 1), and the main values and principles that form a “compass” for those who seek social progress (Chapter 2).

The first part of the Report deals with socio-economic transformations, and focuses on economic inequalities (Chapter 3), growth and environmental issues (Chapter 4), urbanization (Chapter 5), capitalist institutions of markets, corporations and finance (Chapter 6), labor (Chapter 7), concluding with a reflection on how economic organization determines well-being and social justice (Chapter 8).

The second part of the Report scrutinizes political issues, scrutinizing the ongoing complex trends in democracy and the rule of law (Chapter 9), the forms and resolutions of situations of violence and conflicts (Chapter 10), the mixed efficacy of supranational institutions and organizations (Chapter 11), as well as the multiple forms of global governance (Chapter 12), and the important role for democracy of media and communications (Chapter 13). It concludes with a chapter on the challenges to democracy raised by inequalities, and the various ways in which democracy can be rejuvenated (Chapter 14).

The third part of the Report is devoted to transformations in cultures and values, with analyses of cultural trends linked to “modernization” and its pitfalls, as well as globalization (Chapter 15), a study of the complex relation between religions and social progress (Chapter 16), an examination of the promises and challenges in ongoing transformations in family structures and norms (Chapter 17), a focus on trends and policy issues regarding health and life-death issues (Chapter 18), a study of the ways in which education can contribute to social progress (Chapter 19), and finally, a chapter on the important values of solidarity and belonging (Chapter 20).



The two concluding chapters include a synthesis on the various innovative ways in which social progress can go forward (Chapter 21) and a reflection on how the various disciplines of social science can play a role in the evolution of society and the design of policy.

This Summary follows the structure of the report by chapters and for each chapter, provides a brief outline of the main points developed in the report, with a few highlights drawn from the main figures and text of the report. For each chapter, the summary represents the contents of the chapter and the views of its team of authors, not necessarily the views of authors from other chapters.



## INTRODUCTION

- Humanity is at the peak of possibilities, but faces severe challenges due to growing inequalities, political conflict and environmental threats.
- There is a general need for the market to be re-embedded in society if social progress is not to be halted or even reversed.
- While 20th-century agents of social change are on the decline, new potential actors for redistribution, social justice and recognition are emerging.
- Key values and principles underlying the idea of social progress include: equal dignity, basic rights, democracy, the rule of law, pluralism, well-being, freedom, non-alienation, solidarity, esteem and recognition, cultural goods, environmental values, distributive justice, transparency and accountability.

### 1 SOCIAL TRENDS AND NEW GEOGRAPHIES

This opening chapter sets the scene for subsequent more detailed analysis of many of the issues raised here. It starts by discussing the tension in the current era between humanity's simultaneously standing at "the peak of possibilities" while also, possibly, facing an abyss due to growing inequalities, political conflict and the ever-present danger of climate catastrophe. It then turns to the main social and spatial transformations that have characterized the last twenty five years. Again we see advances and regressions, above all uneven and fragile development. This sets the scene for examining three specific challenges: the tension between capitalism and democracy; that between production and reproduction with an emphasis on gender relations; and that between demographic change and sustainability. The chapter then concludes with a sober appraisal of the prospects for the emergence of viable agents for social transformation before making some general remarks on the challenges and possibilities for social progress.

The key fact underlying prospects for social progress is that development is, and always has been, contradictory. Poverty amongst plenty, individual advancement versus collective regression, and repression intertwined with liberty. If the industrial era emerged through what Karl Polanyi called a "great transformation," are we headed towards, or do we need, a "new" great transformation? We posit a general need for the market to be re-embedded in society if social progress is not to be halted or even reversed.

In terms of the political order we find that the recent transformations of democracy and capitalism have had hugely ambiguous features. It is not wrong to say that the planet is currently both more democratic and more affluent than it was three decades ago. But the ways in which such progress has come about endangers not only future progress, it even puts past progress at risk. In political terms, the increasing diffusion of democracy means that more people across the globe have a say on the collective matters that concern them. But under current circumstances, their participation may not be able to reach the kind of decisions that one would understand as collective self-determination. In economic terms, material affluence is being created in unprecedented forms and volume. But, first, this affluence is so unevenly generated and distributed that poverty and hardship do not disappear and are even reproduced in new and



possibly more enduring forms. And second, the continuing production of this material affluence will endanger the inhabitability of the planet, or large parts of it, even in the short- or medium-term.

The positive and negative components of the picture we offer are constitutive of the ambivalent nature of social progress. We are acutely aware that the world looks very different according to one's standpoint geographically, socially and by one's social and cultural identity. So we have not posited a false unity in terms of outlook. We consider it useful to pose the key questions as clearly as possible from a collective perspective that includes many diverse disciplinary and subject standpoints.

We also seek to avoid an analysis determined by either a depressed perspective that sees only catastrophe ahead given recent political developments or the opposite tendency that is emotionally committed to positive social transformation regardless of the evidence. Quite simply, neither pessimism nor optimism are adequate diagnostic tools. This is particularly the case when we turn to the possible agents of the "new" social transformation we advocate. While we show the decline of 20th-century agents of social change we also try to bring to life the new potential actors for redistribution, social justice and recognition.

## 2 SOCIAL PROGRESS: A COMPASS

This chapter sets out the main normative dimensions that should be used in assessing whether societies have made social progress and whether a given set of proposals is likely to bring progress. Some of these dimensions are *values*, bearing in the first instance on the evaluation of states of affairs; others are action-guiding *principles*. Values can inspire and in that sense also guide actions. Principles aim to offer more specific guidance on how to rank, distribute and realize values. Recognizing a multiplicity of values and principles is important not only to being

### SOCIAL MOVEMENTS ON THE RISE

The so-called second wave of feminism which manifested itself since the 1960s had generally been abating from the late 1970s or 1980s, but received a new impetus from the 1990s. In quite a few countries—but certainly not in all—the impact of feminist activities has increased...

Human rights movements have become widespread, and have enlarged their field by including economic justice and women's rights (e.g. the struggle against gender-based violence). LGBTQ movements have been doing well, and since the beginning of the millennium same-sex marriages have been granted in an increasing number of countries or certain sub-jurisdictions.

Environmentalist movements have probably never been larger than in recent years. Climate change in general, and global warming in particular, have been a major stimulus for mobilization.

Numerous are the movements that try to protect or improve social conditions on a local level, varying from the Bolivian "Water Wars" of 2000, and the massive South Asian campaign against the Narmada dam, to the Argentinian piqueteros, and the Brazilian Sem Terra movement. There are also interesting consciousness-raising initiatives such as the All India People's Science Network with a membership of 700,000....

In addition, there is what one could perhaps call a movement for small-scale self-organization and autonomy. Small workers' cooperatives are widespread nowadays... Many self-employed tried to protect themselves against sickness or other adversities by founding small mutual-aid... Peer-to-peer exchange and collaborative consumption initiatives (sharing economy) seem to be on the rise.

But there are also rising movements that are not necessarily progressive, and may even deflect the struggle for progress...





respectful of the variety of reasonable views about what matters but also because it is difficult to reduce the list of dimensions that ultimately matter to a shorter one in a way that reflects all aspects of the phenomena in question. This chapter’s principal contributions are its listing and interpretation of basic values and principles, and its defense, so far as space permitted, of the suggestion that each of these has basic or non-derivative importance.

Any use of these basic values and principles in guiding or assessing social progress should be guided by respect for the equal dignity of all persons. The values of well-being and freedom are each of pervasive importance; each has also been interpreted in importantly different ways. Other basic values relevant to social progress include values directly important in individuals’ lives—non-alienation, esteem, solidarity, and security—and values embodied in the environment and in human culture.

THE VALUES AND PRINCIPLES THAT DEFINE THE COMPASS	
<b>Cross-cutting considerations</b>	The principle of equal dignity Respect for pluralism
<b>Basic Values</b>	Well-being Freedom Non-alienation Solidarity Social relations Esteem and recognition Cultural goods Environmental values Security
<b>Basic Principles</b>	
<b>Of general applicability</b>	Basic rights Distributive justice Beneficence and generosity
<b>Applicable to governments</b>	The rule of law Transparency and accountability Democracy
<b>Applicable to civil society</b>	Giving rights determinate reality Toleration
<b>Applicable to global institutions</b>	Educating and supporting citizens Global justice

There are also principles of non-derivative importance in evaluating and fostering social progress. We argue that respect for basic rights is the most uncontroversial principle of social justice. While libertarians argue that justice consists solely in respecting those rights, we present a set of distributive principles that go beyond respect for basic rights: equality of opportunity, (luck) egalitarianism, prioritarianism, and maximin. We discuss the distributive implications of utilitarianism and the potential of other maximization approaches. Finally we argue that even if a society were

perfectly just, it might still have to rely in cases of urgent need on the beneficence and generosity of individuals.

These values and principles can be used to assess the social progress of a variety of different institutions, groups, and practices that embrace different sets of agents. They can apply to civil society groups, nations, and to the global human society. It is also possible to extend their reach to future generations and to non-human animals. Attending to this variety of agents reveals the need to elaborate additional principles that are not uncontroversially derivable from more generally applicable principles. Some principles are especially applicable to governments, such as the rule of law and the rights of political participation. Other principles are of special significance for civil society or for global institutions and transactions.

Despite their multiplicity, these basic values and principles can be translated into a set of concrete indicators relevant for specific policy domains. Concrete indicators will always give a narrowed interpretation of the underlying objectives. Evaluating whether a change does or would constitute social progress requires an intelligent conversation on how trade-offs between different objectives should be handled and on how moral and feasibility constraints should be taken into account.

## PART I SOCIO-ECONOMIC TRANSFORMATIONS

- Most data suggest that between-country inequality has narrowed since the 1980s. Meanwhile, within-country income inequality has been widening in many countries. Since the late 1990s, trends in within-country income inequality have been more heterogeneous across regions of the world.
- Policy can have a substantial influence on inequality, by improving the conditions among the poor, promoting a strong middle class, and curbing the concentration of income and wealth at the top. International cooperation can support such policies.
- Equality can serve as a development strategy, through wage compression, universal welfare programs, and asset redistribution, which together stimulate innovation, empower workers and promote a cooperative ethos.
- Economic growth has adverse effects on the global commons, requiring institutions that enable and facilitate collective action at international, national and sub-national levels.
- Urban justice has emerged as an important perspective to think about future urban trajectories, in view of the challenges associated with intensifying inequality, privatization of the commons, urbanization of poverty, rising insecurity and acute gender inequality.
- Reforming the purpose and governance of the corporation—which, contrary to widespread belief, is not owned by its shareholders—and better regulating financial institutions can reduce rent seeking and promote innovation and a better distribution of created wealth.
- Technological progress is more likely to reshuffle the composition of jobs than to reduce the demand for labor, although there is considerable uncertainty and diversity of trends in the world. From a policy perspective, narrowing the regulatory gaps and inequality in social protection between different contract types is a pressing issue.

### 3 ECONOMIC INEQUALITY AND SOCIAL PROGRESS

Much of the literature has focused on economic inequality, usually measured through income, but there are many dimensions of inequality. Often interacting, these include inequality in freedoms, opportunities, capabilities. One can also distinguish between inter-household and intra-household inequality, vertical and horizontal inequality. One should also make a distinction between static and intertemporal assessments and address the issue of mobility. One should differentiate between unidimensional and multidimensional measures of inequality, objective versus subjective measures, absolute versus relative inequality, inequality versus polarization, and various indicators of inequality that emphasize the various dimensions of inequality.

Wide income and wealth inequality retards social progress intrinsically and instrumentally by inhibiting improvements in welfare and the promotion of social cohesion. While some social and

economic differentiation is tolerable and even desirable, substantial inequality in resources, opportunities, or capabilities runs counter to most theories of justice. In addition, a wide inequality gap reduces overall well-being, increases poverty, lowers the impact of economic growth on poverty reduction, affects behavior that can trap poor people in poverty and promotes social conflict. There is, however, no consensus on the impact of income redistribution on economic growth.

Most data suggest that between-country inequality has narrowed somewhat since the 1980s. Meanwhile, within-country income inequality has been widening in many countries since the 1980s and now contributes a significantly larger share of global inequality. Since the late 1990s, trends in within-country income inequality have been more heterogeneous across regions of the world, with deceleration or stabilization in Asia, the OECD and transition countries, decrease in Latin America, and heterogeneous trends in Africa. The findings on the non-income dimensions of inequality point generally to narrowing global inequality in health care and education, and substantial heterogeneity in the trends in within-country inequality.

There is considerable uncertainty and debate about the findings on the trends in inequality. This is associated partly with differences in the definitions of inequality, but also with poor data quality, lack of comparable data, and the irregular, incomplete, and inconsistent collection of data, especially in developing countries.

The key drivers of trends in inequality between and within countries and groups can be distinguished into two kinds: deep-seated causes and more immediate determinants. The drivers and determinants are often country-specific: contexts, policies, and institutions matter. Deeper causes in OECD countries include skill-biased technological change, the swelling trade in labor-intensive manufactured products with emerging countries, the rise in the incomes of top earners in the expanding financial sector, the declining redistributive role of the state, and labor

### THE DECLINE IN INEQUALITY IN LATIN AMERICA

Regional Gini (unweighted)



Source: IPSP Figure 3.8.

There is no clear link between the decline in inequality and economic growth. Inequality narrowed in countries that experienced rapid economic growth, such as Chile, Panama, and Peru, and in countries with low-growth spells, such as Brazil and Mexico. Nor is there a clear link between falling inequality and the orientation of political regimes: inequality declined in countries governed by regimes on the left, such as Argentina, Bolivia, Brazil, Chile, and Venezuela, and countries governed by centrist and center-right parties, such as Mexico and Peru. However, while inequality fell in countries of different political orientations, the most rapid decline was recorded under the social-democratic regimes. Most studies point to two main explanations for the decline in inequality: (1) a reduction in hourly labor income inequality and (2) more robust and progressive government transfers. The former contributes the lion's share. An average of 54 percent of the decline in the Gini coefficient can be attributed to changes in the distribution of hourly labor income.



market policies, especially on unionization, the minimum wage, and low-wage sectors. In developing countries, inequality trends are affected by the earnings distribution of employees, but also by differences in inequality across regions and between rural and urban areas. Greater trade with rich countries has not met expectations by narrowing inequality, but has often served to widen inequality. The substantial narrowing in inequality in Latin America more recently has been caused by positive economic conditions and favorable policies on taxes and fiscal redistribution, labor markets, and social protection.

Many of the drivers of the trends in inequality are deep-rooted, change only slowly, and therefore reproduce themselves. This reproduction of inequality leads to substantial path dependency in inequality, aided by entrenched social stratification that causes persistent inequalities across population groups, the influence of social movements, long-standing norms and attitudes affecting the degree in redistribution, the strong link between economic and political inequality, and demographic dynamics.

As recent trends in inequality in Latin America or the heterogeneity in trends among OECD countries suggest, policy can have a substantial influence on inequality. Policies focusing on inequality can be grouped into (1) policies to improve the conditions among the poor, the vulnerable, and the marginalized; (2) policies that promote the growth and sustainability of a strong middle class; and (3) policies that seek to curb the excessive concentration of income and wealth at the top. Among the first group, relevant policies should concentrate on building physical and human assets among the poor through, for example, land reform and pro-poor education policies; enhancing economic opportunities through, for instance, better access to markets, more progressive tax-expenditure systems, and cash transfer programs to cope with shocks; and promoting social inclusion through, for example, antidiscrimination policies, legal reforms, and improved access among disadvantaged groups to the courts and the legal system.

Among the second group, policies should focus on the middle class by promoting labor-intensive growth, fostering competition, favoring micro and small enterprises, addressing shocks through universal access to social protection, and enhancing employment and a living wage.

Policies in the third group should focus on the top of the distribution by supporting greater progressivity in the tax system and in inheritance taxes, addressing tax avoidance and evasion, and establishing codes of practice to limit pay raises at the top of the distribution.

Macroeconomic policies and appropriate international action can play a supporting role. Macroeconomic and fiscal policies can also expand the revenue base available for redistribution, especially in countries with low ratios of tax to gross domestic product (GDP), for example, through resource taxes and more progressive income and consumption taxes.

International cooperation can support countries in designing and implementing pro-poor policies. It could also help narrow inequality by focusing on combating tax avoidance and evasion by wealthy individuals and multinational corporations, controlling illicit financial flows, regulating financial markets, and favoring more orderly and less costly international migration regimes.

The potential for implementing policies to narrow inequality in countries depends crucially on political economy issues within countries, and these are affected by the size and voice of the middle class, the power and incentives available to entrenched elites, the nature of political alliances, and the role of popular and social movements.

#### 4 ECONOMIC GROWTH, HUMAN DEVELOPMENT AND WELFARE

Economic growth is often much lauded, but it also has its critics. It may be viewed as a double-edged sword. On the one hand, it may be viewed as a narrative of liberation, lifting people out of poverty. On the other, it may be viewed as one of alienation, increasing inequality and associated with environmental degradation.

Welfare, or well-being, is an overarching goal for policymakers. It is multi-dimensional in the sense that it includes poverty, inequality, the environment and other public goods such as health and education. It is normative in the sense that there are multiple perspectives on what matters to society (happiness, capabilities to function, etc.). Welfare is measured by multidimensional indicators including health, education, political voice, environment, etc. Several improved welfare measures have been developed over the last decades, classified into monetary and non-monetary measures. Indicators may be measured in a disaggregated way (i.e. a dashboard) or via a single indicator.

Economic growth is important in that it positively impacts welfare along some dimensions and negatively along others. Growth in income per capita is not good or bad per se, but only matters to the extent that it has an impact on welfare and related goods, such as preference satisfaction, happiness, capabilities to function and the meaning of life. Although GDP is used dominantly as a measure of economic growth, there are many competing definitions of the more general concept of economic development and also competing indicators proposed as alternatives to GDP in measuring economic growth. There is a debate as to whether economic growth should be judged in terms of its contribution to maximizing happiness or preference satisfaction, ensuring equal amounts of utility, raising people above a certain threshold, or giving priority to the least

<b>HOW POLICY-MAKERS, INTERNATIONAL ORGANIZATIONS AND CIVIL SOCIETY CAN PARTICIPATE IN THE DEFINITION OF WELFARE INDICATORS, IDENTIFICATION OF BOTTLENECKS AND IMPLEMENTATION OF POLICIES</b>			
<b>Action</b>	<b>Policy-makers</b>	<b>International Organizations</b>	<b>NGOs and individual citizens</b>
Definition of welfare indicators	Monitoring and reporting of indicators.	Data collection; harmonization and comparison of indicators.	Elicitation of social preferences; holding governments accountable for reporting.
Identification of bottlenecks	Design roadmaps to guide reforms.	Link the identification of a bottleneck to policy design.	Identify bottlenecks and communicate them to the public sector.
Implementation of Policies	Implement policy instruments; overcome political resistance	Gather data on best practices.	Provide feedback on the experiences with policy; draw attention to problems and adverse side-effects.

advantaged, each of which has arguments pro and against.

There are many linkages between economic growth, sustainable development and social welfare. The industrial revolution, which was a milestone in economic growth, led to increasing per-capita incomes, but also fundamental transitions in the way societies are organized, including changed fertility patterns, increasing investment in education and rapid urbanization. Determinants of economic growth and stagnation include population and demography, education and human capital, technological change, resource endowments, geography and

#### **CAN CARBON PRICING FOSTER SOCIAL PROGRESS?**

Carbon pricing affects the entirety of the population, who sees e.g. the price of gasoline and electricity rise as a result. In some low- and middle-income countries, this may actually be progressive, meaning that the poor suffer disproportionately less. This is but a mild consolation, considering that this progressivity occurs, in particular, where the income distribution is so unequal that the poorest are unable to afford energy-intensive goods. By contrast, high-income countries tend to experience regressive distributional effects. Significant carbon pricing (and ambitious climate policy more generally) also distributes costs and benefits unevenly across groups with asymmetric political influence. While costs are concentrated on the present and particularly affect well-organized interest groups such as the fossil resource industry, the benefits of climate change mitigation (reduced climate change impacts) accrue to future generations and the dispersed global population, which is hardly politically organized at all. These concerns help explain why, when priced, carbon is priced far below most estimates of the 'social cost of carbon', which is the price that would yield an optimal reduction in emissions.

Even if set below the social cost of carbon, a carbon price (tax or permit auctions) could generate sizeable government revenues. Should the political-economy challenges to raise revenues from climate policy be overcome, a government faces another set of challenges in how funds should be allocated. Both sets of challenges cannot be completely disentangled because public support for carbon pricing depends on revenue usage. More support is given to revenue recycling that is geared towards environmental projects or returned to the population in a revenue neutral way than when usage is unspecified or destined to national debt reduction. Support could also be garnered by lowering taxes for those who would be more adversely affected by the climate policy—and who would oppose it the most—in a sort of 'double dividend' fashion, but with an emphasis on redistribution. Alternatively, revenues maybe earmarked for financing specific projects, e.g., building social commons such as public infrastructure. Earmarking, however, is controversial. As there is no relation between the amount of revenue generated by climate policy and the revenue that should be spent on any given project, it is not clear how much should be allocated to each project. Hence, infrastructure funding is best done nationally rather than through earmarks that target specific infrastructures separately. Moreover, the funds available for such projects will have to be what remains after transfers and programs benefitting the political losers—transfers for the general population, especially the poor, and re-training programs for the displaced workforce—are made.

environment and various actors, institutions and politics.

Economic growth has been correlated with fundamental transitions in the way societies are organized, changed fertility patterns, an increase in manufacturing and service sectors as well as energy and material consumption, increasing investment in education and rapid urbanization. It has been shown to be associated with a widening gap in the control of global income and wealth, suggesting that the gains of economic growth have not been evenly distributed. Economic growth in recent decades has decreased inequality at the level of the world citizens, but has led to increasing inequality within countries.

Economic growth has also been correlated with environmental damage, such as climate change, water scarcity and pollution and species extinction. Climate change and other environmental damages impact the poor disproportionately, and may also increase inequality within and between countries. Economic growth has also been linked to air pollution



and harmful impacts to nature and animals, which are argued to have an intrinsic value in themselves. Economic growth has adverse effects on the global commons, which need to be protected to ensure that any use is sustainable over time. Governing the global commons requires institutions that enable and facilitate collective action at international, national and sub-national levels.

The challenge for policymakers is to mitigate the negative effects of economic growth while preserving the positive effects. An integrated perspective on growth and capitalism allows for an evaluation of its costs and benefits, but also provides pathways for the transformation of contemporary capitalism, maintaining its driving forces, but addressing inequalities and protecting natural resources. Well-designed and implemented regulation of environmental and other externalities can lead to increasing welfare, without necessarily impeding economic growth. Environmental regulation creates assets for society.

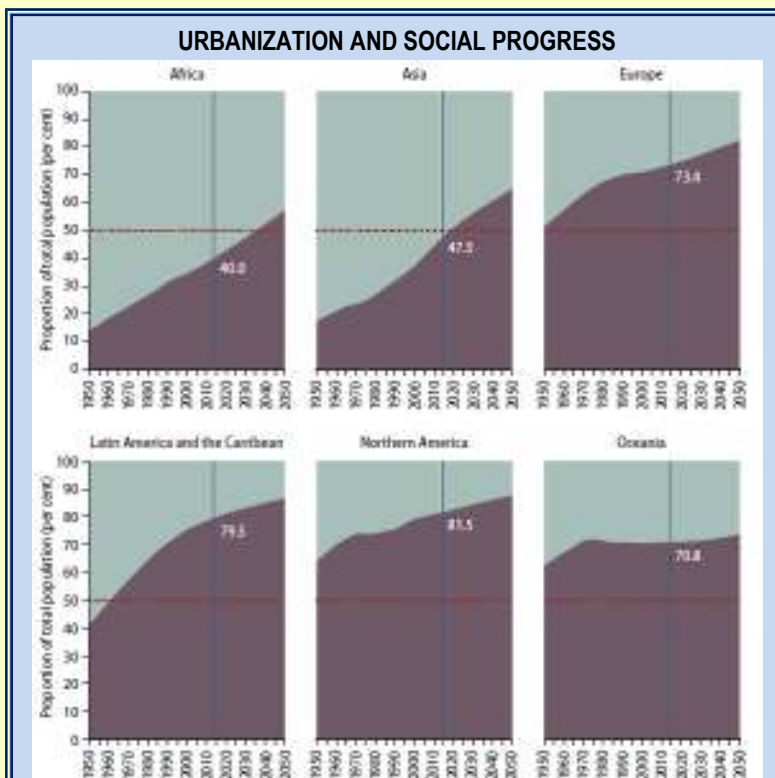
## **5 CITIES AND SOCIAL PROGRESS**

Today's cities confront a range of particular challenges that were not faced (at least knowingly) by cities in past periods. We focus on several of these in order to understand how cities can be enabled to become more viable and just. The question of cities and social progress has a long history of thought and multiple debates. Cities and urban life are profoundly heterogeneous and complex conditions. A city is a unique blend of landscape infused morphologies, people, cultures, histories, conflicts, socio-technical interfaces, and constant flows of resources, data and ideas. We must recognize the duality of the city. On the one hand, it has contributed to the evolution of society as a whole, while simultaneously remaining a major obstacle to social equity. A quick scan of urban challenges in both developed and developing contexts shows us that all cities inherit problems and today confront a host of new and interrelated challenges—rising inequality, climate change, and a considerable lack of social progress for many residents. This chapter examines the multiple ways in which the urban condition materializes in diverse parts of the world and under diverse constraints. The examinations range from continental Africa to specific instances—Turkey's refugee crisis. Also important is the case of megacities and the global geography of power of global cities.

Built environments are not neutral, they benefit some sectors of the urban population more than others. The case of women in cities is one instance of an array of disadvantages that affect them generally more than other population groups. There is a solid body of research confirming women's disadvantages in the use of urban space—be it safely walking the streets, claiming space in public parks, accessing or transportation and adequate sanitation. Further, while there is much good research on cities, much of it assumes gender neutrality, whether in the household, transportation, or business districts. If our understanding of cities and potential policy reforms are to enhance social progress, it is critical to revisit urban planning from a gender-based perspective.

A rights-based approach may be necessary to understand how social progress can be achieved amidst these structural constraints in cities. Emphasizing the experiences of excluded and





Source: IPSP Figure 5.1

How do we understand the character of this urbanization and its relation to social progress? The answer is complex. Certainly, in Africa, India and—to some extent—China, urbanization is rising rapidly at low, low-middle or, at best, middle income status. Even controlling for the colonial forms and legacies of urban development, this points to critical challenges to the assumed relationships between urbanization and development. Urban expansion is not necessarily being led by a strong, embedded, and employment-generating economic structure in low and low-middle income countries. To this we must add persistent poverty, which in turn brings segmented consumption and labor markets, low tax and revenue bases, deficient and inadequately expanding infrastructure, and uncertain state capacity to direct resources and investments. Urbanization at this pace becomes an arena of significant struggles for social progress. Many of the urban challenges in Africa and South Asia – slums, widespread economic informality, unequal rights to the city, weak fiscal structures and diminished local governments—are evidence of this struggle.

invisible urban populations, invites us to ask how capitalist market forces can be regulated to attenuate the social effects of urban accumulation?

Contesting the widespread notion in the 1980s that place no longer mattered to global firms in a digital era, we argue that while old-style cities are dying, a new type of complex operational space is installing itself in a growing number of major cities across the world. The “Global City function” is an extreme space for the production and/or implementation of very diverse and very complex intermediate capabilities. Cities are both a key site for the implementation of an extremely broad range of technologies, and a lens to detect what all else might benefit from developing applications. The city becomes a site for both implementation and discovery of what else is needed. It allows us to understand a range of diverse interactions between users (whether systems, organizations, or people) and digital technologies.

The urbanizing of people and of societies has become one of the

major trends of the last few decades. This urbanizing has long generated a diversity of formats. But the available evidence suggests that today this variability has become even greater. Besides the familiar formats we have known across time and place, there is now a proliferation of novel formats—private cities, gated communities, office parks that pretend to be cities and are experienced by many as such, and more. This proliferation of diverse “urban” types ranges from cities occupying a territory so vast it is barely governed to small and fully managed towns.



There is growing interest in bringing social justice into questions of development to achieve an expanded understanding of human well-being. It is in this intellectual context that urban justice has emerged as an important perspective to think about actual and future urban trajectories. However, the profound challenges associated with intensifying inequality, privatization of the commons, urbanization of poverty, rising insecurity and acute gender inequality have also played a major role in exploring the relevance of urban justice. These issues are central to the debate about the Right to the City.

#### REFUGEES AND THE CITY

Future cities will increasingly confront the effects of massive displacements due to war, climate change, and the loss of rural land due to the accelerated expansion of mines, plantations, and water grabs. Refugee flows bring with them new economies, housing, security policies in urban space and everyday life, and more. This is a whole new type of urban complex that will proliferate in the next decade and more. Urbanization marked by significant numbers of refugees is evident in cities as diverse as Istanbul, Paris, or Berlin. Camps near cities and towns (such as in Paris or in South Eastern Anatolia) create new spatial relation in terms of transportation, economy and human relations. Are the cities ready for this? What kind of infrastructures are created? How will it shape infrastructures like housing, water sources, and public spaces? These influences will become important in the near urban future. For example, the cost of a rent of one tent in a camp in France creates its own micro-economy connected to larger towns in terms of human trafficking. At the other hand, the self-organized solidarity networks in Istanbul, Berlin or Athens becoming stronger in urban spaces that influences the urban knots of public spaces and usage of technology such as mobile phones. The rent and housing market influenced by middle class refugees or refugees who can afford renting spaces.

In today's world justice denotes environmental sustainability, well-being, access to basic services, cultural autonomy, gainful employment, and more. Given the massive budget deficits in most countries, especially in the global South, achieving justice demands a radical shift in the patterns of economic development. Cities can and must play a central role in this urgent socio-technical process. It is impossible to cover the extraordinary variability of the urban condition in this short chapter. But one vector all cities share is the making of urban space. Urban Space makes visible injustice as well as positive potentials. The question then is how we can maximize urban space as a positive in the lives of the billions of marginalized citizens, the discriminated, and the persecuted.

#### 6 MARKETS, FINANCE, AND CORPORATIONS: DOES CAPITALISM HAVE A FUTURE?

This chapter provides an overview and a critique of modern capitalism focusing on the core institutions of finance and the corporation. It considers the degree to which they foster or inhibit social progress. Capitalism, corporations and finance have developed over time, within nation-states and in relation to institutions in other nation-states. Their contribution to social progress, or in the alternative, social regression, varies according to historical, political and geographical context. We show that while globalization has significantly impacted capitalism, corporations and finance, making them global as well as national in scope, they continue to be grounded within nation-states. Throughout the chapter we aim to show the integration of the state and the capitalist economy and the dependence of the institutions of capitalism on the state.



### THE MISSION OF THE CORPORATION

In the mid-1960s, most US corporations stated their mission in terms of producing value for communities, workers and the public at large; virtually none referred to maximizing shareholder value as their goal. In the UK, while the law itself was heavily shareholder orientated, as a matter of practice corporate decision making was undertaken in consultation with trade unions and government. Today, the unhindered promotion of shareholder value is almost universally considered to be the purpose of corporate activity, and even references in corporate annual reports to the need to be socially responsible are often presented as a means of further enhancing shareholder value. The current salience of the shareholder interest in the thinking of executives in listed US and British companies is the result of three decades of concerted institutional effort to align the interests of managers and shareholders. The need for such an alignment is the premise of agency theory, the cornerstone of modern corporate finance, and the guiding principle of corporate governance codes which, from the early 1990s, have spread the essentials of this model, which originated in the USA and Britain, to the rest of the world.

There is some elision in the idea that shareholders are the owners of the corporation and that the managers are, as a result, their agents. Lawyers know that it is misleading to talk of the shareholders owning the firm as such, but recognize, at the same time, that the standard corporate contract grants shareholders voice, income and control rights which are unique to them as a group and are not shared with workers or creditors. Directors have a duty to promote the corporate interest which in principle may not mean the same thing as maximizing shareholder value, but in practice often does. English case law has tended to respect the principle of shareholder primacy except, on occasion, when it threatens the ability of the company to produce future value. Boards are generally free to take a range of interests into account when setting corporate strategy and may choose to prioritize investment over dividends, for example. However, there are many pressures for directors to pursue shareholder value above all other considerations, such as the need to raise or maintain share price to appease the equities market, pressure from their own activist shareholders, and personal incentives such as performance related remuneration.

Shareholder primacy, although not in general mandated by law, has come to be seen as common sense. In some areas of law, the requirement to prioritize the shareholder interest can be more explicitly spelled out. When a change of control is imminent, through a takeover or restructuring, directors' room for maneuver tends to narrow down to a duty to safeguard the financial concerns of the shareholders, at least in the English and American common law; countries with a French or German civil-law tradition, on the other hand, tend to give less priority to the shareholder interest.

The corporation is inevitably an exercise in delegation, but it does not follow that a policy of empowering the presumed principals, the shareholders, at the expense of managers and workers, necessarily results in improved corporate performance, a point increasingly clear from empirical analysis.

The first substantive section provides a brief narrative about the nature and scope of modern capitalism. We show how attributes of the capitalist market economy, including its tendency to expand, and to create high levels of productivity driven by labor saving innovations, have created huge wealth. We note, however, that this type of capitalism has also produced massive inequalities between people and groups and has caused environmental problems which disproportionately effect developing nations. Social progress is also inhibited by the control which powerful market actors can exercise over regulation and innovation opportunities. Not only does this restrict access by new and potentially brilliant players to realize their vision, it ensures that products are made only for profit. As society becomes more unequal, innovation becomes increasingly focused on the desires of the wealthiest.

We then go on to consider the corporate form as an

institution of capitalism and a legal mechanism which has enabled economic progress and innovation but has also enhanced inequality and social regression. The chapter considers the historical emergence of the company as a legal person and the development of the share as a fungible and transferable property form, enhanced by the institution of limited liability. Our analysis notes that shareholders do not own the firm: they emerged historically as outside investors akin to bondholders, and their continued claim to control rights in the company came to be justified in the modern period as a device for reducing monitoring and other transaction



costs. Moreover, in terms of social progress, the idea that it is the duty of managers to deliver value for shareholders has enhanced inequality and stymied innovation. Increasing value for shareholders has been achieved through lowering pay and conditions for workers in most developed countries, particularly the US and the UK, and through utilizing low-cost and often unprotected labor from developing countries in an increasingly globalized corporate economy. A catalogue of human tragedies in the factories of countries such as Bangladesh testify to this, as does the huge and growing disparity between the global wealthiest 1%—mainly based in the global North—and the rest of the world. We show how extracting value from developing countries is achieved by multinational corporations through subsidiaries and through contractual networks. Both forms generally protect the parent or lead company from liabilities arising from industrial accidents such as the Rana Plaza factory collapse. Corporations at the top of global value chains claim the most valuable parts of the value creation process, which are also those most strongly protected by intellectual property rights and other legal mechanisms. We consider, among others, the case of large pharmaceutical companies. We show that innovation is being stymied in their case by the pressure to deliver shareholder value, resulting in more profit being utilized for dividends and share buy backs rather than research and development.

In addition, we examine financial institutions, which have become increasingly important in national economies and also increasingly global. Corporations rely on access to finance and incorporate financial businesses in their own operations. Global wealth is centered around global financial hubs and it is those centers that essentially decide who will have access to funds. Financial institutions rely on extracting a portion of global wealth and do not extend finance by reference to criteria of social progress. The chapter also notes the growing role of finance in the delivery of public goods and the regressive effects of this shift. The institutions of finance have come to inhibit social progress because as intermediaries between global production and finance they reflect power imbalances within and between nation-states and thereby reinforce global inequalities.

Intrinsic to capitalism, corporations and finance, is the state. At a fundamental level, the state protects private property and market exchange. It also constitutes the corporate form as a mode of economic organization in which capital hires labor, not the reverse. In the middle decades of the twentieth century this intrinsic inequality was tempered by the operation of the welfare state. Since the 1980s, mechanisms of risk-sharing and redistribution which were characteristic of the welfare state have been weakened in many countries. There has been a shift away from the publicly instituted regulation of the post war decades, in favor of forms of “governance” suitable for more liberalized and less welfare-orientated economies. In part this is happening because states see themselves as competing with one another for investments and corporate relocations. International agencies which previously operated to contain the destabilizing effects of cross-border flows of goods and resources, now actively promote the removal of social and environmental protections which are described as “non-tariff barriers” to trade.

These developments will require, in due course, a systematic legal and political response, which will place limits on markets and reset the relationship between trade and the state. To illustrate what that might be, we conclude the chapter by looking at how reforms to the legal institution of the company could help reverse the trends we have identified in the earlier parts of the chapter. We discuss reforms to tackle tax evasion and the obfuscation of wealth which have been enabled

by multinational corporate networks gaming regulation and tax law. Our analysis also discusses reforms to protect productive companies from rent seeking by shareholders. We consider the problems which arise when corporate regulation shifts from public control to soft law and voluntary social responsibility practices. We propose a radical restructuring of corporate decision making which would see the removal of certain control rights from shareholders. We suggest ways in which inclusive innovation could be promoted.

The chapter concludes in arguing that global corporate capitalism has come to depend upon the perpetuation of inequality both within and between nation-states, and as such is

inhibiting progress which is truly social. The slow growth which has proceeded from the global financial crisis has enhanced these problems. We conclude that a reform of the corporation which delivers for all people is now both an economic and social imperative.

#### CHALLENGES TO MAINSTREAM MODELS OF FINANCE

Recent developments in contemporary financial capitalism have been characterized in the literature by a turn to moral values as a possible palliative to the threats posed to social progress by the excesses of financial rationalities, with a focus on rules of good practice and economic activism in financial services. Notions such as “corporate social responsibility” and “socially responsible investment” have permeated today’s mainstream corporate cultures, both inside and outside the financial industry. These are characterized in the relevant literature as vehicles for the development of a socially and environmentally virtuous rationale in capitalistic enterprises but also, critically, as stratagems to legitimize forms of corporate conduct that are in reality still driven by profit maximization. Comparable considerations can be observed in the case of Islamic banking and finance, microfinance and corporate philanthropy. And a similar logic can be identified in debates around the development of ethics curricula and courses in business education.

Ultimately, these discussions revolve around whether the financial industry can integrate moral and political aims in its operations that do not infringe on its need to obtain profits to survive and that impact the distribution of monetary resources in the sense of greater social progress. Given the varieties of actors, in these debates, the definitions of morality and social progress are diverse and not always compatible. In parallel to these developments a literature has also emerged that emphasizes the difficulties of challenging the dominant scientific culture in finance and the mainstream (that is, Brownian) paradigm in financial modelling in the last decades.

Overall, the global financial industry seems to be confronted today by a series of moral and political critiques that locate in its most defining rationales the engine of both the widening of social inequalities and the endangering of democratic order. It is also confronted by scientific epistemic critiques that accuse it of relying on probabilistic assumptions and calculative methods that favor the emergence of blank spots and unforeseen dangers. Responses to the moral and political quandaries of finance that emerge from within the financial field proper have provided only limited insights. Responses to the scientific limitations have rather contributed to the escalation in the widening of the expertise “silos” in which financial knowledge operates.

## 7 THE FUTURE OF WORK – GOOD JOBS FOR ALL

This chapter assesses the global evidence on major factors influencing the future of work. It has become evident that there is a large variation in national developments, yet, there are shared issues of general relevance that make it possible to tell a global story.



First, technology and globalization are intimately related forces driving permanent structural change in employment and affecting the global distribution of economic activities and jobs. While there has been permanent technological change, its implications differ with respect to levels of development and speed of adjustment around the globe. Global integration has become stronger, not least facilitated by modern IT and other technological innovation, leading to declining costs of international transactions, but also by political decisions to remove barriers. This points at the importance of political decisions in shaping the impact globalization can have on the further development of employment patterns. Looking at most recent changes, workers in different parts of the world have been affected quite asymmetrically by technology and globalization. Winners and losers of change can be identified, with a certain tendency towards employment polarization in many developed countries, creating societal and political challenges in compensating for losses while not foregoing the potential wins—and by preparing societies to reap the benefits of technological advancements and global integration through forward-looking, preventive strategies.

Second, demographic change is a major driving force in the world of work around the globe. Diversity in the labor market, induced by demographic factors, is on the increase, with rising employment of women, older workers and migration, although significant gaps regarding the labor market integration of women, older workers as well as migrants,

continue to exist in some regions of the world. Empirical studies into the effects of diversity create a nuanced picture, pointing at the many dimensions of diversity and its consequences. But diversity is also often linked to discrimination. In fact, there is empirical evidence on discrimination in the labor market based on ethnicity, gender, age, disability, sexual or religious orientation—this is not only creating barriers for individual careers but also implying a loss of productive potentials in the economy. Anti-discrimination rules and systematic awareness raising, monitoring and enforcement are therefore justified, as are positive strategies to change actual practices in the labor market.

When looking at different types of employment we can identify a large variety of contracts, deviating more or less from a permanent, full-time dependent employment status in the formal

#### THE END OF WORK?

Past concerns about the “end of work” have been proved wrong—the average worker has gained from new technology, not suffered from it—real wages have risen and unemployment rates show no clear long-term trend. Why have so many commentators got things so wrong? One explanation is that the workers who benefit from new technology are often diffuse and invisible. New technology results in prices for affected goods falling; thus consumers can buy what they did before and have money left over to spend on other things. As they buy more haircuts, for example, the employment of hairdressers will rise and, absurd though it sounds, such newly employed hairdressers owe their jobs to new technology in some distant part of the economy. Many past and present accounts of technology's impact completely overlook these indirect effects, but they have been the most important.

However, there is no guarantee that the current impact of new technology will echo past patterns; and there are a wide variety of views without the evidence being clear-cut. There are those who argue that we are living through a “second machine age” based on developments in ICT, yielding very rapid technical progress leading to a fall in the demand for labor; while others argue that progress has slowed to a crawl.

All this discussion has been about the impact of new technology at the frontier. But it is important to recognize that in many countries, technological change centers on the new application of “old” technology, now being adopted because the diffusion of knowledge is far from perfect or because economic incentives have changed. And those changing incentives are often because of globalization.



sector, which is often taken as a benchmark to assess the quality of a job. Part-time work, fixed-term contracts, temporary agency work, but also different forms of self-employment or own-account and crowd work as well as informal employment differ regarding core parameters such as employment stability, earnings and inclusion into social protection from standard employment. Institutional changes, but also changes in the structure of demand and supply for certain skills have opened up this broad diversity of contractual relationships in the world of work around the globe, not least the creation of highly flexible demand patterns and complex value chains in today's economies. Virtually all labor markets exhibit some forms of segmentation,

with barriers to mobility between the segments. From a policy perspective, narrowing the regulatory gaps as well as inequality regarding inclusion into social protection between different contract types is a pressing issue, with concrete challenges depending on the national context. Moving to the margins of the labor market, different forms of under-, non- or unemployment continue to exist, pointing at a full or partial exclusion of some groups from paid work. Patterns of exclusion and boundaries of the labor market are structured by institutional rules defining certain status forms, and in particular only the existence of a welfare state and social policies make unemployment a useful category and indicator in some regions of the world.

Collective bargaining is an important institutional mechanism to establish negotiated standards regarding pay, working time and other working conditions. It also has a role in settling distributional conflicts. Compared to legislation, collective agreements can be more flexible as they take into account sectoral or firm-specific issues. Empirical research can show that multi-employer collective bargaining can lead to lower earnings inequality and that coordinated or centralized bargaining is beneficial to a positive economic development. Yet, bargaining systems are quite diverse around the globe, with huge differences in bargaining coverage, union density and employer organization, as well as a tendency to decline in collective bargaining coverage and increased decentralization; similar differences can also be observed inside individual countries. While collective bargaining is a voluntary system, public policies such as extension clauses and minimum wages can also contribute to shape wage structures in systems with low organizational density.

#### FLEXIBILITY: GOOD FOR WHOM?

While there is a fragmentation of labor markets characterized by different forms of "external" flexibility, firms have also become more flexible "internally," i.e., as regards their internal processes of work, but in particular regarding working time and mobile working. In general, patterns of working time and workplace flexibility can be in the interest of employers, of workers or both. Over time we have seen many new and diverse arrangements emerging, potentially reconciling productivity and flexibility interests of employers and work/life preferences of workers. There has been an improvement in many cases. Still, there are many issues that can be perceived as problematic from a social progress point of view, in particular very short, very long and unpredictable working time requirements or ill-designed shift work arrangements which have negative effects on workers' health and families. This is also observed in poorly regulated informal employment or in segments of formal labor markets where working time standards have eroded due to a lack of collective bargaining and appropriate legislation and enforcement.



### WELL-BEING AND STRESS AT WORK

Work is intimately related to individual health and well-being. While unemployment is definitively harmful in terms of well-being and health, being employed can help raise individual well-being and health. However, there are also some health risks attached to work. Precarious forms of work can have negative effects on mental health. Industrial work was particularly at risk of physically hazardous working conditions as regards occupational injuries or work-related diseases caused by chemical substances, but as a matter of fact, in many low and medium income countries these risks are still very much a present phenomenon. However, in many developed countries recent changes in the modern world of work have created new mental and psychological demands on individuals, creating stressful psychosocial work environments and working-time related stress. Evidence indicates that jobs defined by high demands and low control, and by high effort in combination with low reward, increase the risk of stress-related disorders, such as cardiovascular disease or depression. While this evidence has clear implications for work practices so that employers have to meet their responsibilities, there is a role for public policies as regards the prevention of health risks at the workplace.

Human capital is a core element of individual life chances and employment potentials. It is also crucial for economic productivity and societal wealth. Empirical research points at the fact that skill formation has a peculiar pattern over the life course with educational investments at different stages building upon each other. Education in early childhood has the strongest returns and a clear potential of reducing ability gaps across children from different backgrounds. Schooling enrolment is far from complete, in particular in medium and low income

countries, but is essential in securing individual chances of independent living outside of poverty. Comparative research also gives hints at the specific contribution of vocational education and training for a smooth transition from school to work, in particular if combined with structured learning in firms. Higher education is important for societal progress and innovation. As with schooling also higher education tends to operate under credit constraints so that support through public subsidies is an important measure to mitigate inequality in access to higher education. Finally, continuous training on the job is needed to update skills in a changing economic environment.

Policies regarding employment protection, unemployment protection and reemployment have direct influence on stability and mobility on the labor market. In many countries, institutional rules governing permanent contracts in the formal sector stabilize open-ended employment relationships, but may hamper entry into the core labor market for some groups in the labor force as they tend to reinforce a segmentation of employment. Furthermore, in many countries both formal and effective coverage by unemployment benefits is very limited, leading to a double disadvantage of those in more temporary or informal employment as their access to unemployment protection is also limited. Hence, employment and unemployment protection often privilege certain groups over others, creating gaps in protection for the most vulnerable people. Active labor market policies can help promote the reentry into employment after phases of unemployment, and in fact, there are many options of effective reemployment measures – however, taking a global perspective, the delivery of such policies is quite unequal given institutional, administrative and fiscal constraints. All in all, relaxing employment protection while strengthening unemployment benefit systems and active labor market policies can help support individuals in a dynamic economic environment where transitions between jobs need to





be secured. This, of course, requires fundamental institutional change and capacity building in many countries.

We see a core set of policies that are essential:

–Rules regarding employment protection should allow for flexibility while avoiding a deeper segmentation of the labor market;

–Social protections should cover all types of work, yielding no particular hidden advantage of choosing one or another type of work;

–Skill formation at different stages of the life course is essential, in particular ensuring the acquisition of skills that can be used in the labor market as well as access to education also for vulnerable groups;

–Inclusive labor markets need effective policies to make the most out of diversity and ensure non-discrimination. Anti-discrimination legislation is important but it is not enough to combat discrimination as it is not “self-enforcing.” A combination of proactive policies to promote equal opportunities in employment, and sanctions for non-compliance or discriminatory behavior is essential;

–Legislative and collectively agreed standards regarding working conditions are fundamental to ensure a fair distribution of economic gains as well as to guarantee working conditions that are compatible with health and extra-work demands;

–Capacities to bargain collectively are a major complement to legislation. Vital social partnership in old and new sectors and forms is therefore important. Institutions to protect workers from insecurity and uncertainty, as well as to facilitate the creation of good jobs, must be created by political forces.

#### MAIN PRINCIPLES FOR POLICY GUIDANCE

- 1 Opportunity for economic growth should be provided in accordance with ecological sustainability.
- 2 Full and fair employment in the formal sector should be made a central aim.
- 3 Good jobs should be defined by as jobs with the following essential features: jobs that are free of any form of precariousness; that enable the workers to exert some control on their time and tasks; that provide fair employment relation and job security; that offer opportunities to stimulate individual development; that prevent any form of discrimination; and reconcile work and extra-work demands well.
- 4 Inclusive institutions including collective bargaining are needed to provide equitable opportunities for all.
- 5 If programs addressing job displacement are implemented, efforts to facilitate reskilling are preferable to cash compensation, though either must come with access to public and health services. Using public funds to shape technologies that generate more employment than they destroy should be a priority for regions, nation-states, and transnational institutions.
- 6 Globalization cannot be framed as a race to the bottom, but rather as a process founded on minimum standards for employment everywhere. Of course, policies towards strengthening full and fair employment for all may vary according to the level of economic and social development in different regions of the world as well as according to institutional arrangements at national level.



## 8 SOCIAL JUSTICE, WELL-BEING, AND ECONOMIC ORGANIZATION

The average citizen of the world lives today in a better place than in the past. Income and life expectancy have on average increased, and extreme poverty rates have declined. Nevertheless, the dispersion of such a progress has been extremely uneven. Redistribution has been unable to reach the world's poorest people, both globally and nationally. Since the 1980s, both income and

### HOW THE WELFARE STATE LIFTS SOCIETY

A welfare state arrangement can be a highly beneficial investment that not only improves well-being, all else being the same, but also expands the set of feasible opportunities and enhances the ability for individuals to take advantage of them. The link between feasible opportunities and ability may also give rise to two locally stable equilibria—one with low income and low ability, another with higher income and higher ability. The welfare state can engender a shift from the low-income trap to high-income equilibrium. It first raises the income of a vulnerable group. Next, as group members become more productive, the higher incomes they receive generate additional income growth. Heightened access to resources raises their productivity further, which again leads to a higher income, and so on. Naturally, the process converges to a new and higher level of productivity and income than they had before.

A welfare state may also change the production relationship. Workers would simply gain more power, and may thus dare to raise their voices against other unfair rules at their workplace. Vulnerable workers can then become less vulnerable when they are net receivers of welfare benefits and support. The consequences for a worker of being fired, or made redundant, become less severe when he is socially insured. The health of his kids is less dependent on their own income when they have access to public health services. Workers become better trained when the education system improves.

Welfare state programs that empower workers and increase their short-term outside options and long-term life chances would also raise the lowest wages that workers are willing to accept. As the lowest wage goes up, the wage distribution changes as well. These changes—higher wages and more power to the bottom of the pay scale—work together with what jobs are most profitable to offer.

The profitability of bad jobs is high only when workers are weak and other wages are low. Empowering workers via welfare programs can put an end to this kind of employer dominance that is widespread in developing countries. It may transform bad jobs into good jobs. Again, the changes are most dramatic at the bottom of the wage and skill distribution. All in all, the impact of welfare policies on the pre-tax wage distribution can best be described as compression from below.

wealth have become more concentrated in the hands of the super-rich. The world is drifting toward a new Gilded Age where a global plutocracy becomes more and more dominant. Furthermore, increased material well-being has not translated into increased subjective well-being in rich societies. We discuss the so-called Easterlin paradox highlighting how social comparisons hinder subjective well-being and how individual aspirations dependent on one's social context can perpetuate poverty traps.

Our discussion of economic systems starts off observing that markets are indispensable systems for the allocation of productive factors and goods for consumption. Rather than converging to neo-liberal forms of economic organizations, a wide variety of capitalistic systems is possible, depending on their system of wage determination and level of income redistribution. Culture adds to this variety. A cooperative social ethos has

arguably been instrumental to the establishment of broad-ranging redistributive institutions and safety nets in some countries.



The core of our argument is that equality can serve as a development strategy. A first cornerstone is wage compression. It stimulates innovation as the profitability of new technology rises, and it drives out of the market firms using inefficient technologies. Empirically, inequality in the US leads to greater productivity dispersion than the more egalitarian Nordic countries. A second cornerstone rests on the expansion of universal welfare programs, including income support, social insurance, and free access to health and

education. A third cornerstone concerns asset redistribution. It involves guaranteed basic income, inheritance, and land reform. Taken together, these measures empower workers, who can then escape poverty traps and society as a whole can obtain higher incomes. Exploring forms of ownership and control of productive organizations, we discuss both profit sharing and cooperative ownership—variants of democratic firms such as the Mondragón cooperatives and

**RACE TO THE BOTTOM?**

Competition now extends to institutions, policies and degrees of market orientation. While it may give rise, in some cases, to more egalitarian institutions with strong unions and generous welfare states, competition may in other cases lead to a race to the bottom in terms of low tax rates, little regulation and low social standards.

The mechanism for the race to the bottom is simple. People and capital may move to countries where the profitability for their services is higher, taxes are lower and where there are fewer regulations. High-skilled people are more mobile than low-skilled people—they can afford the cost of moving and they more easily obtain work permits. The impact of cross-country labor mobility can be rather negative for the extent of redistribution and the degree of progressiveness of taxes.

The race-to-the-bottom seems evident in the case of capital taxation. Estate tax rates sky-rocketed in the years between the 1950s and 1970s, when capital mobility was rather low also in the US and the UK. Since then, most taxes on capital have seen a decreasing trend. The wealth tax has almost disappeared in Europe with the exception of France. Compared to capital taxes, the race-to-the-bottom seems less severe in taxes on labor.

**A GLOBAL BASIC INCOME**

Among the practical problems of instituting a basic income at the national level is the prospect of migratory inflows into the country, which may put governments under severe financial strain. This may either lead to restrictive immigration policies, or to risks of social marginalization and labor market segregation of immigrants. In view of these and other issues, some people argue for a global basic income. Others propose a gradual approach and designate the European Union or NAFTA as the main distribution units of a supra-state basic income. Some authors have proposed a global basic income in the form of a Global Resources Dividend aimed at eradicating poverty in the world, as part of a broader strategy that includes radical measures such as a global wealth tax or a Tobin tax.

Climate change is also an issue supporting the idea of a global basic income. The atmosphere's carbon-absorbing capacity is a natural resource to which all human beings have an equal claim. At the same time, all mankind has a right to inherited natural resources and to the cost of preserving the ecosystem. Basic income could be a means to redistribute cost and benefits of the policies need to preserve the ecosystem. The need to slow down the depletion of a valuable natural resource out of fairness to future generations and the need to internalize the negative externalities closely associated with the use of fossil energy can justify a global tax on carbon emission to finance a global basic income.

the Indian Self-Employed Women's Association. Finally, we make a case for the democratic governance of firms, discussing founding principles, efficiency gains that it permits, and feasible institutional and legal forms that would sustain it.

We critically examine the claims that globalization prevents egalitarian policies. Many claim that a “race-to-the-bottom” in tax rates jeopardizes the state's fiscal capacity, and that competition from workers in the “South”



reduces unskilled wages in the “North.” We note that the share of taxation has never been so large in OECD countries, and that skill-biased technological change has played a larger role than trade in the stagnation of unskilled wages in rich countries. States are far from being powerless in the face of globalization. Nevertheless, we also point out some trends that may constrain states’ redistributive action in the future. High-skill workers are migrating toward North America, possibly attracted by low income taxes. Immigration toward the North seems to jeopardize social cohesion and thus compromise redistributive policies, as many voters turn to right-wing parties.

We conclude by indicating policies for the 21st century to combat rising global and national inequality. These include a more progressive income tax, a global tax on wealth, and a global basic income. These policies may sound utopian, because they require much stronger global governance than what exists at the moment. Yet they may be achieved progressively, as has happened with many other policies in the past.

#### THINKERS AND ECONOMIC SYSTEMS

Setting policies for the 21<sup>st</sup> century requires insights. We believe that it is unlikely that the system we observe now, based on flexible exchange rates and footloose capital mobility, low barriers to trade and high barriers to low-skilled migration, will maintain its current shape into the future. The failure and the financial crises that the IMF’s “best pupils”—Argentina and the Asian Tigers—suffered when implementing state-of-the-art policy packages made of unbridled markets, government budget surpluses, and monetary contraction are under everyone’s gaze.

It is quite noticeable that every change in a policy paradigm has been preceded by a change in the “sentiments” among economists and policy-makers. This was the case for Keynes’s work, which formed the background for the predominance of demand-side policies. To some extent, Milton Friedman’s *Capitalism and Freedom* had arguably a similar impact in the 1970s as Keynes’s *General Theory* in the 40s. The former set the stage for the “supply-side revolution” that characterizes the current epoch. Nevertheless, maybe we are indeed witnessing today a change of heart within the economics discipline. Many Nobel Prize-winning economists, from Joseph Stiglitz to Paul Krugman, have been vocal in laying bare the shortfalls of the current state of affairs. We do not know whether the dissent toward the current version of globalization has reached the critical mass to determine a regime shift in public policy. If even the IMF nowadays offers advice to countries on how to operate capital controls, maybe we are close to that moment.

## **PART II POLITICAL REGULATION, GOVERNANCE AND SOCIETAL TRANSFORMATIONS**

- Globalization and the spiral of inequality and corporate political power have triggered a growing legitimacy crisis in old and new democracies, undermining the nation-state as the basis for democracy and welfare policy. States' powers, otherwise a touchstone of sovereignty, are increasingly negotiated with transnational private actors and international financial institutions and placed under external jurisdictions.
- Institutions of global governance have few mechanisms for tapping into creativity and tacit knowledge at local levels and they implicitly vest expertise and normative authority in the Global North and centers of geopolitics or finance. For transnational governance to produce social progress it will need to resolve difficulties of coordination, funding, accountability, and adaptability of governance technologies.
- There is a long-term decline in number and intensity of wars, but also a troubling rise in armed conflicts since the early 2000s, including historically high levels of terrorism. Decreasing inequalities among ethnic groups and along gender lines suggest a more hopeful long-term trend, as does democratization. However, if a democratic system does not address the issues of ethnic, religious and socio-political inclusion, territorial divisions and power sharing, it may result in increased tension, conflict and violence.
- There are proposals for reestablishing the demos and renationalizing democracy, democratic innovations in Europe and Latin America, and ideas about democratic norms that should guide the procedures of supranational governance; as well as ideas about reducing the effects of inequality on democratic decision-making and organizing electoral systems for increasing minority participation.
- Struggles for social justice through the democratization of media have acquired new prominence, echoing previous struggles and foregrounding the transparency and accountability of media infrastructures, and data flows in particular.

### **9 THE PARADOXES OF DEMOCRACY AND THE RULE OF LAW**

The promise of modernization after the Second World War was that economic growth, equality, the rule of law and democracy would proceed together. In many ways, this has happened. Yet many of the promises of social progress developed after WWII have been undermined by internal tensions within the democratic project, as well as by social and economic trends. While stating the challenges that these trends have posed for democratic institutions and actors, we also look at the responses (both proposals and practices) that have emerged in order to address those challenges. In doing this, we note that the very conception of democracy as liberal democracy (based on delegation and majority voting) is under stress as the neoliberal wave has attacked those very intermediary institutions (parties, unions, voluntary associations) that had been at the basis of the development of the welfare state and democratic capitalism.



We start by noting the growth in inequality, which means that formal democracy is shaped by uneven power resources as concentration of wealth provides advantages in the capacity to influence public decision making with mutual convertibility of economic and political resources. The spiral of inequality and corporate political power is reflected in a growing legitimacy crisis in old and new democracies. Liberalism, which promised the separation between the state and the market, has evolved into a neoliberalism based on the domination of the corporation, exacerbated by privatization and deregulation. This has raised private profit criteria above considerations of the broader public good and in many cases encouraged corruption. The ensuing inefficiency and lack of transparency foster institutional mistrust, with perverse effects.

Challenges are also related to the fact that democracy has been mainly defined in a national mode, with the demos identified as the nation. Economic rescaling produced by global capitalism has however produced both de-territorialization and re-territorialization, which requires a (yet unachieved) rethinking of the basis for democracy but also of welfare and its foundation in both identities and institutions. In the North and (with different characteristics) in the South of the globe, movements of capital and of people pose challenges for national pluralism and its constitutional recognition, questioning key concepts such as the definition of political community and popular sovereignty and the relationship between human rights and citizenship.

#### INTERNET AND DEMOCRACY

In the context of deliberative democracy, true democracy requires citizen participation and engagement through active discussion with other citizens. The Internet brought the hope of an expanded and new public sphere, capable of embracing a broader set of ideas and a broader set of citizens.

The high rate of Internet penetration, low cost of online communications and global reach, have brought attention to the possibilities of the internet as a source of citizen empowerment. In this respect, the Internet holds the potential to generate “communicative power”, bringing participatory opportunities to traditionally “voiceless” agents to express their demands—a platform where individuals and communities are able to express their needs and desires. In addition, the combination of an increased access of citizens to government information and the possibilities of electronic voting, enables new types of internet-based engagement with democratic processes. Moreover, the dissemination power of the Internet brings a new dimension to citizen journalism and grassroots documentary-making, significantly altering relations of power in the media. The importance and appeal of the empowering potential of the internet in democratic processes is multifaceted and undeniable.

However, less is known about the negative impact that ICTs can have in democratic processes. Some arguments include the potential of further social polarization, with the Internet becoming a public sphere for the educated and affluent; the dangers of information overload and misinformation (see the viral widespread of fake news reported during the 2016 USA presidential elections and elsewhere); and the way in which such rapid widespread of radical collective action can lead to violent conflict escalations.

The possibility to build stronger democracies in times of digital media and the Internet is still not well understood.

The main actors in democratic development have been affected by these challenges. Political parties are an important element in democracy but they have become an interest in their own right. A crisis of representation has emerged from growing social detachment of political parties from social cleavages as well as of elected representatives from the citizens. This had most dramatic effects on the Left, when left-wing parties have supported liberalization reforms. Relying on expertise for the development of progressive policies is not a solution given the non-accountable power of science as well as the increasing challenges of privatization of knowledge-making, opacity of knowledge production and



persistence of fundamental class imbalances in access to knowledge. Participatory channels of access to institutions have been opened to “ordinary citizens” but they often do not address fundamental issues of inequalities. While citizens often call for direct participation, existing experiments rarely empower the citizens.

While the judiciary has been seen as a surrogate for democratic participation for marginalized minority groups, its capacity for rights enforcement is limited by the expansion (in particular at the international level) of a *lex mercatoria* as well as the use of courts in order to protect economic freedom from democratic dynamics. The rule of law has also been subverted by unequal access to the law and by the influence of money while the judiciary also has its own particular interests, and corporate lawyers assume a brokerage function in globalized markets. On the other hand, in the control of political dissent, the state, rather than being weakened from globalization, increases its reach and power. The ‘war on terror’ has been used to challenge the rule of law by states of emergency as well as authoritarian drifts with attempts at imposing a permanent “state of exception.”

On the other hand, progressive social movements have addressed growing inequalities and democratic crises by developing alternative visions of democracy, stressing participation over delegation and deliberation over majoritarian decision-making. Participatory and deliberative conceptions have been prefigured as well as elaborated in recent waves of protests. The consolidation of oppositional actors, however, faces challenges in the fragmentation of the potential social bases, the need to build a new collective identity as well as to establish channels of access to power. This has resulted from, but also triggered, the reduction in citizens’ entitlements and the weakening of the social contract upon which social progress depends.

## **10 VIOLENCE, WARS, PEACE, SECURITY**

The issues of conflict, violence and social progress and their interrelations have long been topics of philosophical discussion. Violence, especially in its more intense and extreme forms, often serves as a major impediment to social progress; it leads to or catalyzes a range of direct physical and humanitarian harms for the population (such as human losses and displacement), as well as socio-economic, environmental and other damage. However, social change may itself imply popular protest against repressive conditions such as repressive governments, foreign occupation or colonial rule. This protest may be exercised through non-violent means, but sometimes through violence.

There is a long-term decline in number and intensity of wars, at least since the Korean and Vietnam wars. However, there are also data demonstrating a troubling rise in armed conflicts since the early 2000s, including historically high levels of terrorism. Significant geographical variations are suggestive for managing this phenomenon. Some regions have seen a steady decline in organized political violence (East Asia, South and Central America); some regions or countries experience far more terrorism than others (notably the Middle East, South Asia, some states in Europe). Homicide rates decline with increasing human development and social integration, while suicide rates do not follow the same pattern. Also the sexual and gender-based

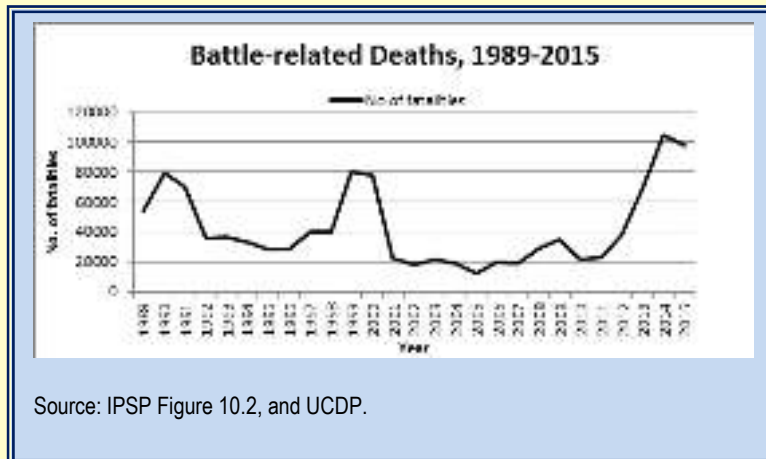


violence in conflict situations show variations, indicating that this phenomenon too can be averted among non-state actors (guerilla groups, liberation movements).

With respect to the means of violence, notably weapons development, nuclear weapons inventories have been reduced, but remain at very high levels.

Global military expenditures have seen a marked rise, not the least in the Middle East and for some major powers (China, Russia), while still not even close to the arsenals of the USA. These powers are the top producers of small arms, the types of weapons mostly used in conflicts in Africa, for instance.

The continued prevalence of violence and weapons impedes the possibilities of social progress and needs to be reversed. However, the international actions for controlling this pattern lack in commitment and enforcement. The UN system has been activated since the end of the Cold War, but has had difficulties in responding to the challenges of the past few years, most obviously



Source: IPSP Figure 10.2, and UCDP.

revealed in the highly internationalized civil war in Syria. Similarly, disarmament measures have not moved forward. There seems to be little prospect for further nuclear weapons reductions, although the international agreement on Iran's nuclear technology is encouraging. A significant recent treaty is the Arms Trade Treaty, which now is being tested in monitoring illicit arms trade, and still lacks support of key major powers.

**PEACE-MAKING**

Since the end of World War II, and particularly since the demise of the Cold War, the settlement of conflicts through mediation has become increasingly common. In the 1990s there were more mediation attempts than during the preceding four decades combined, and the proportion of conflicts ending in peace agreements exceeded those ending in military victory. Other prominent trends over the past two decades include a shift in mediation from inter- to intrastate conflict; a growing involvement or regional organizations in peacemaking and the institutionalization and professionalization of international mediation.

The importance of international mediation in deadly conflict is unquestionable. It is frequently the only bridge from hostilities to peace and it can forge among mortal enemies a consensual platform for long-term reconciliation, reconstruction and state building. Where it fails, as in Darfur from 2004 to the present, Syria from 2012 to date and Rwanda prior to the 1994 genocide, the fatalities and destruction can reach catastrophic proportions. By contrast, in 1996 UN mediation ended the civil war in Guatemala, in 2005 the Inter-Governmental Authority on Development mediated an end to the decades-long war in Sudan and in 2008 the African Union mediation in the Kenyan electoral conflict prevented a descent into protracted violence.

Increasingly, mediation research is concerned with the durability of peace agreements. A key question in this regard is whether mediated settlements are more or less likely than military victories to lead to a recurrence of violence. According to Kreutz, 9.5% of military victories in the 1990s restarted and this rose to 40% of victories in the early 2000s; by contrast, 46.1% of negotiated settlements led to resumed hostilities in the 1990s and this fell to 21% in the early 2000s. Others paint a more pessimistic picture...

There is headway in the field of peacemaking and mediation, as the negotiated endings to





armed conflicts have become more frequent and of increasing quality. Similarly, the notion of peacebuilding has emerged as a new and evolving response. As is the case with peacemaking there is a need for building international, regional and new national institutions. State capacity is important as the state is expected to be the responder to increases in violence and to lead society toward social progress. “Weak” states need to be understood in terms of a lack of state capacity or legitimacy, or both. Of high importance is also the degree of ethnic and/or ethno-confessional diversity and representation. There is ample proof that the lack of participation in policy-making, as well as other forms of inequality and marginalization of large population groups increases the risk of conflict and violence. Gender inequality has a connection to the onset, in particular of civil wars. New social media play a role, not in the creation of conflict as such, but in the mobilization of a population.

Decreasing inequalities among ethnic groups and along gender lines suggest a more hopeful long-term trend, as does democratization. However, if a democratic system does not address the issues of ethnic, religious and socio-political inclusion, territorial divisions and power sharing, it may result in increased tension, conflict and violence.

In addition, this chapter addresses the issues of global governance with respect to the management and prevention of conflicts and violence. It observes that there are geo-political variations, i.e. that the same issue may be substantially different from one region to another, thus making uniform measures inapplicable. It is also noteworthy that much global cooperation still rests on informal arrangements, which make UN Security Council action possible in certain instances, but may also impede implementation of decisions. There is a need for global, national and local institutions that are stable, solid and sustainable.

## **11 INTERNATIONAL ORGANIZATIONS AND THE TECHNOLOGIES OF GOVERNANCE**

By “international organizations”, we refer to organizations beyond a single state that engage in transnational or global governance. This chapter addresses five types of international organizations: intergovernmental organizations whose members are states; international non-state organizations that directly address transnational or global policy; international civil society organizations; international commercial organizations; and hybrid public-private international organizations. The chapter’s case studies focus particularly on intergovernmental organizations, but in interaction with other organizations as they address issues of human rights; refugees and migration; women’s rights; health; intellectual property; conflict, security, and terrorism; and climate change. In

### **WOMEN’S RIGHTS**

International organizations are often reluctant to take up issues that cause controversy, such as women’s reproductive rights. The challenge for local organizations seeking to appropriate concepts of women’s human rights to improve the status of women is to mine the range of possibilities offered by international organizations in a way that is appropriate to local circumstances while resisting the pattern of trading women’s rights off against other issues, such as the maintenance of tradition or political stability. Alliances with feminists working within international bureaucracies can be valuable. Overall, this is a dynamic and contested social field, with coalitions and struggles among international organizations, civil society, and states. These contests continually redefine what women’s rights mean and what these ideas and institutions can do to improve the status of women worldwide.



assessing international organizations, the chapter begins by examining the relationship of these organizations to global order and disorder. While robust empirical research is limited on norm-making and monitoring, it is clear that a handful of countries in the Global North dominate intergovernmental organizations.

This chapter describes how international and global governance operates through varieties of governance technologies. These technologies vary in how fully they engage

transnational, national and local actors, state and non-state, in their design and implementation. Technologies of governance have been criticized because they have few mechanisms for tapping into creativity and tacit knowledge at local levels and they implicitly vest expertise and normative authority in the Global North and centers of geopolitics or finance. In so doing, they mute the voices of many domestic actors.

Our case studies demonstrate both the promise and problems of international organizations in enhancing human flourishing. They reveal the complexities of the engagement between the Global North and Global South and local and global processes. For transnational governance to produce social progress it will need to resolve difficulties of coordination, funding, accountability, and adaptability of governance technologies.

This chapter emphasizes the importance of interactions between international organizations and national and local ones. One of the most striking dimensions of the role of international organizations in governance is the way they interact with local communities.

Limited funding poses a major constraint to the effectiveness of international organizations. Growing consensus about the importance of leveraging other forms of capital to augment financial resources may mitigate this challenge. Recognizing and integrating non-financial assets ranging from socio-cultural and political to intellectual capital helps foster local buy-ins for

#### REFUGEES: PROPOSALS FOR BETTER GOVERNANCE

In order to address the global refugee problem a range of short and medium term recommendations can be gleaned from the literature. First, there must be increase in legal channels of migration through eliminating *non-entrée* measures. Second, the principle of *non-refoulement* must be strictly respected. In the instance of mass influx of refugees States must ensure that refugees “are welcomed into a safe and caring environment”. Third, there must be institutionalized dialogue between countries of the Global North and the Global South to give effect to the principle of burden sharing addressing both financial and physical burden sharing. Fourth, a Refugee Rights Committee must be established consisting of independent legal experts to oversee the implementation of the 1951 Convention. Fifth, an adequate response to the problem of climate refugees must be shaped. There are several possibilities that may be explored including expanding the definition of refugee in the 1951 Convention on Refugees or adopting a protocol on climate refugees to the Geneva Convention. Sixth, there must be initiatives at the regional level. For example in the case of EU “a supranational institutional arrangement that guarantees the equitable sharing of responsibilities within the EU” must be established. It should create an EU Asylum Authority that would act throughout the territory of the EU. This would include the establishment of an independent EU Asylum Appeals Court, as well as one EU Asylum Code that would cover issues related to substantive and procedural right and standards of treatment. Seventh, the root causes of refugee flows should be given due attention. In this regard much more needs to be done to prevent conflicts, interventions and wars that are among the root causes of refugee flows. Eighth, countries not parties to the 1951 Convention should be exhorted to join it. Ninth, international human rights law with its wider scope should be made the primary basis for refugee protection.



### PUBLIC HEALTH

The WHO and the UN system have been significant contributors to social progress in global health, using a variety of governance tools. The results are nevertheless a culmination of the efforts of many—including member states which champion issues on governance boards, advocates who push their governments to lead on global health issues, public and private financiers who make implementation possible, researchers and teachers who provide the evidence and produce a capable public health workforce.

Health, at any level, is a collective effort. It is co-produced by individuals, families and communities with those who intervene, be it at the clinical or policy level, and at local or global levels. The 20<sup>th</sup> century global health landscape has been shaped by a relatively top-down, paternalistic set of institutions. This landscape has become complicated in the early 21<sup>st</sup> century. The three major trends over the past two decades have been towards more discretionary funding (and away from longer-term funding), towards multi-stakeholder governance (and away from government-centered representation), and towards narrower mandates (or vertically focused initiatives rather than broader systemic goals). If the current scenario continues, is further progress possible?

A “business as usual” scenario is possible—perhaps likely—because of the deeply entrenched interests of elites, as major financial donors, sitting on the governance bodies as well as those within the institutions. Insufficient vigilance about the changing global health challenges may well lead to further breakdown of trust and social order, and perpetuate health inequalities within and across countries. A 21<sup>st</sup> century fit-for-purpose international organization for health must pay greater attention to social inclusion and equity. Concerted action addressing political and commercial determinants of health will be necessary. This will require both active civil society engagement and consideration of new forms of global health governance.

transnational technologies of governance and empower situated communities to engage as stakeholders.

International organizations should raise awareness of, and propagate, local knowledges from, all parts of the world. They must identify successful innovations in nations, regions and communities. They must discern in what contexts innovations work and adapt innovations to these contexts.

Accountability mechanisms are important but they typically focus on individual responsibility rather than prompting structural reforms in complex political economies. Different types of mechanisms need to be supported by a responsive organizational and managerial culture in order to avoid the pitfalls of superficial accountability.

## 12 GOVERNING CAPITAL, LABOR AND NATURE IN A CHANGING WORLD

This chapter attempts a broad analytical compass for surveying the main actors, institutions and instruments governing our world. Despite its seeming ubiquity, governance is a relatively new expression in this context suggestive both of new modes of exercising power, and an enhanced focus on ordering a world undergoing rapid change. Speaking generally, governance may be understood as the exercise of power organized around multiple dispersed sites operating through transnational networks of actors, public as well as private, and national, regional as well as local.

The turn to governance is often held to be coeval if not conjoined to profound changes in the meaning and nature of government associated with the ascendancy of neoliberal ideas and precepts. This has had significant implications for how governance tends to be understood. Critics associate it directly with the changing role of states in the economic and social sphere. Transnational governance, in particular, is criticized for foregrounding the priorities of corporate investors often to the detriment of social or environmental goals, subordinating



principles of “comparative” or “cooperative” advantage to “competitive” advantage, and promoting micro-regulatory forms of regulation over strategic or structurally-focused interventions (such as industrial policy). Associated shifts trace states’ powers, otherwise a touchstone of sovereignty, being increasingly negotiated with transnational private actors and international financial institutions (IFIs), and placed under external jurisdictions. The turn to governance tends also to be framed, whether directly or indirectly, justifiably or otherwise, alongside cuts in the public provisioning of health, education, housing, and social expenditures wherever they may have taken place, a parallel proliferation of managerial controls, and governments contracting out public services to private and quasi-private agencies, or

relinquishing them to the voluntary sector. At the risk of oversimplifying its critics’ views, if modern governments describe rule by/of citizens, governance describes rule over subjects.

This chapter maps a rather more fluid and differentiated landscape of governance across the five areas it surveys, i.e., finance, investment, trade, labor and environment. In finance, while regulation may appear to have become more transnational and to an extent even voluntary, deregulatory outcomes have reconfigured the nature of risk and the cognitive and policy frameworks for dealing with it. At the same time a growing risk of states having to foot the ultimate bill may still become a point of departure for more differentiated regulatory approaches. On the other hand, not only are environmental agreements continuing to be implemented and enforced at national and sub-national scales, the ascendancy of market interventions and transnational institutions here has taken place in parallel with—and

#### **INVESTMENT TREATIES: ISSUES WITH ARBITRATION**

International commercial arbitration usually involves private law disputes about contracts between two private parties or between a private party and a state acting in a private capacity. By contrast, investment treaty arbitrations involve claims by foreign investors against states often for acts undertaken in their public capacity. For example Philip Morris challenged Uruguay’s and Australia’s decision to introduce regulations on the packaging of tobacco and Vattenfall challenged Germany’s decision to phase out nuclear power. But it is important to distinguish between investors bringing claims and doing so successfully: it is worth noting that both Australia, and perhaps more significantly Uruguay, successfully defended themselves against Philip Morris’s claims. But states can still be required to spend considerable amounts defending their regulatory measures... A successful state is likely to receive some of this money back in a costs award. But Uruguay still had to bear 30 per cent of its legal fees; besides the lengthy period of uncertainty created by the case was arguably of benefit to Philip Morris and may have persuaded other states to defer or abandon similar regulations.

Investment treaties seem, however, to be in transition from being mainly protective of foreign investors to also protecting important state prerogatives. As to procedure, new proposals are on the table to address some of the present inadequacies, though no one proposal has yet gained significant momentum. Older-style investment treaties with strong investor protection and few express protections for state sovereignty were typically based on models developed by capital exporting states with little fear of being sued by foreign investors in their own countries. The North American Free Trade Agreement (NAFTA) was unusual because it included investment protections in a treaty between three states of which two were developed states. One result was that both Canada and the United States found themselves being sued by investors belonging to the other country. They hence decided to revise their model investment treaties to strike a better balance between investment protection and state sovereignty. This marked a beginning for developed states to realize that they had interests as both capital exporters and capital importers, and an opening to incorporate clauses that sought to distinguish non-discriminatory regulatory actions to advance legitimate public welfare objectives such as public health, safety, and the environment, from acts of indirect expropriation.



sometimes through mutual cooptation of—other kinds of interventions including those for promoting decentralization and community control over resources. Trends in labor regulation may also reflect individual state choices more than direct transnational pressures, or run contrary to the preferences of specialized international organizations in the domain. Even in the controversial sphere of investment treaties, there is considerable ongoing fluidity with regard to norms, jurisdiction, and actors within and between national and international arenas. Thus, upon closer inspection and with the benefit of a more domain-specific approach, we may not necessarily observe a sweeping or uniform shift, but more a mosaic of regulatory frameworks, quite disparate trends with regard to their negotiation, implementation and impact, and a future rife with possibilities.

### **13 MEDIA AND COMMUNICATIONS**

Developments in digital technologies over the last thirty years have expanded massively human beings' capacity to communicate across time and space. Media infrastructures have simultaneously acquired huge complexity. By “media” we mean technologies for the production, dissemination, and reception of communication, but also the contents distributed through those technologies and the institutions associated with their production, dissemination, and reception. The relations between media, communications, and social progress are complex. More people can now make meaning and be connected through media, providing an important resource for new movements for justice and social progress. Meanwhile the uneven distribution of opportunities to access and use media is itself a dimension of social justice.

Media infrastructures, and media access, have spread unevenly, and media's consequences for social progress cannot be determined at a general level. Traditional and digital media have developed according to distinctive histories across the world, with varying marketization and state control (case studies are provided on China, Russia, Sweden, South Africa, Indonesia, and Mexico). Inequalities of access to media infrastructures are stark, between and within regions and inside countries, with implications for the Sustainable Development Goals (SDGs). Cultural flows through media vary greatly within and between regions.

Meanwhile people's increasing dependence on an online infrastructure that mediates daily life increases the importance of the corporations, which provide that infrastructure. This has transformed the governance of media infrastructures, with a shift from formal to informal governance and the growing importance of transnational governance institutions and practices, whereby corporations, not states, exercise predominant influence, including through the operations of algorithms, with ambiguous implications for corporate power and individual rights, for the public sphere and for social progress.

Journalism has for centuries been a key institutional form for disseminating public knowledge, and so contributing to social progress. While digital technologies have expanded who can do journalism, other aspects of digitization have undermined the economics of public journalism, with new threats to journalists from growing political instability. Even so, there are new voices within global journalism (e.g., TeleSUR and Al-Jazeera).



The increasing networking of communications changes citizenship too, as citizens find information, develop imaginative loyalties and make practical connections beyond national borders, not only within the Global North and with particular implications for global youth. A more “connected” life is however not simply “better” (see our case studies of life in a Chinese heritage village and of the media-based oppression and resistance of precarious workers in East Asia).

Struggles for social justice through the democratization of media have acquired new prominence, echoing previous struggles and foregrounding the transparency and accountability of media infrastructures, and data flows in particular. Concerns include net neutrality, Internet freedom, algorithms’

discriminatory operations, and the automated surveillance on which most online businesses now rely. There are implications for state and corporate power which civil society has challenged (e.g., see the case of India and Facebook’s Free Basics). A bold new model of Internet governance has emerged in Brazil (Marco Civil).

Yet media remain the channel through which many struggles for social progress are pursued. An important example of innovative media use for social progress was the Zapatistas in Mexico, but social movements’ uses of media technologies have taken many forms across the world, exposing important constraints. Since old media generally do not disappear but are linked up in new ways through digital media, it is overall ecologies of media resource on which movements that struggle for social progress have drawn, with struggles against the injustices faced by disabled people being an example of the creative use of media resources.

#### PROTEST MOVEMENTS AND THE MEDIA

Contemporary protest movements tend to draw on an “enlarged media ecology” of old and new media, where traditional communication channels are mixed with new digital tools of activism. A variety of media ecologies have proved important in the context of different struggles for social justice across the world.

The interplay among traditional and digital media reached new heights as the Arab uprisings of 2010 and 2011 spawned a vibrant scene of dissident media and culture. The rise of political stand-up comedy was a hallmark of the uprising: in Bahrain, Syria, and Tunisia digital videos bore witness to atrocities, mocked dictators, and showcased a variety of animation, dance, theatre, and song. The media of artists and activists, often produced and disseminated under extremely risky conditions, is an important form of “creative insurgency”. Meanwhile, media-based activism for gender equality and the empowerment of all women and girls is also growing worldwide. Through creative media strategies, advocacy groups have from the 1990s onwards made remarkable progress in the realm of gender equality from universal suffrage for women to rights for sexual minorities.

As another example, in the struggle against ISIS, activists have been running clandestine festivals of short films, shot on mobile phones, thereby defying local political censorship and moral prohibitions. The group “Raqqa is Being Slaughtered Silently” has documented the atrocities of daily life under the Islamic State, propagating these on social media and connecting with mainstream journalists worldwide.

As these examples also illustrate, care is needed to contextualize the role of digital platforms in social movements. Digital technologies and social media platforms rarely drive political actions and protest in themselves. Social movements’ communication strategies may involve not only digital technologies but also a wide range of non-digital media. In the 2013-2016 Gezi Square protests in Turkey, solidarity was built through a mix of media that combined photocopied zines and street performance with content shared via social media platforms.



#### **BRAZIL'S MARCO CIVIL**

Unlike authoritarian states who show greater concern over the implications of the Internet for regime stability than for freedom, and unlike liberal democracies in North America and Europe—who fear increased state control and often defer to private, corporatized governance of media infrastructures—Brazil supports universal free Internet, while being also critical of the international governance structures that guide it. The Marco Civil is an exemplar of alternative ways of thinking about Internet governance and its relation to wider social justice, without claiming that, by itself, a regulatory framework can create a different type of Internet infrastructure, let alone address all the issues of power to which any communications infrastructure gives rise.

The Marco Civil sought to rethink what freedom and citizenship mean when it comes to the Internet. Adopted on April 23, 2014, the Civil Rights Framework is intended as a prototype for Internet regulation globally. The Marco Civil emerged from NETmundial, a conference convened by Brazil's national Internet steering committee and organized as a multi-stakeholder dialogue between government, industry, and civil society. The framework that became the Marco Civil was developed through a series of online and offline deliberations that invited Brazilian citizens to shape a legal framework for Internet regulation. It is significant not only as an initiative born from civil society in dialogue with government and private sectors, but also as a proposal emerging from the Global South, framed by social movements committed to the idea of communication rights. The Marco Civil has the potential to act as a balance to the global power of the United States on Internet governance issues.

Effective access to media is a necessary component of social justice. But media's consequences for social progress are complicated by uneven media access, the plurality of spaces where people connect through media, and the multiple uses of communication resources (hate speech is enabled by the Internet too). Media infrastructures are a common good whose governance should be open to democratic participation. Concerns about automated surveillance and the environmental costs of digital waste must also be addressed. Our action plan and toolkit list various measures to these ends.

## **14 CHALLENGES OF INEQUALITY TO DEMOCRACY**

Democracy, as we understand it, is a process of collective decision making among persons, which issues in collectively binding norms for the society of those persons. It is a process of decision making in which persons participate as equals in determining the legal and conventional norms that bind them and in which the group of persons, taken collectively, are sovereign. Democracy can be understood as a descriptive term, referring to political societies that actually exist, or as a normative ideal for the evaluation of political societies. Our focus in this chapter is primarily on the basic moral principles that can justify this egalitarian process of collective decision making and on the challenges to understanding and realizing this ideal in the modern world. After an initial account of the basic principle and the social and institutional realization of this principle, we address the challenges to articulating and implementing this principle that arise due to the reality of economic inequality and the religious, ethnic, gender and racial pluralism of modern societies, and to the fact that state-based democratic systems operate within a larger global society.

We then discuss and evaluate the appropriateness of democratic institutions, procedures, and organizations to translate the moral principles into the structural grammar of present-day



democracies and to what extent they can guarantee the fundamental principles and normative promises of democracy. The ideas of equality and sovereignty at the base of democracy cannot be fully appreciated without a grasp of the pluralism, complexity and global interconnectedness of modern societies.

We take *public equality* as the basic normative principle underwriting democracy and guiding our efforts to understand the challenges that democracy faces. The principle helps us think about democracy along two distinct dimensions: procedural and substantive. Democracy is grounded in the principle of equality in the sense that because persons have equal status and worth, the collective decision-making process is meant to realize the equal advancement of the interests of the members of the society. The ideal of democracy is a uniquely public realization of

#### **INSTITUTIONALIZING DEMOCRATIC INNOVATION**

Democratic innovations can be designed to better realize public equality in very different ways—for example, through random selection, group representation or rules that prioritize the interests of the politically marginalized. Institutional designs can empower minority groups, recognize new social and cultural identities, as well as incorporate historically marginalized groups in the public sphere. The practice of well-organized and politically salient innovations provides evidence that citizen participation can break political deadlocks, lead to decisions that redistribute state resources, refocus the delivery of public goods to those most in need and provide access to public services for the poor.

The major challenge facing participatory governance is how democratic innovations can be embedded effectively within democratic systems. One aspect of this challenge is that the radical impulse and original designs of democratic innovations are often watered down as practice spreads. Participatory budgeting is a good example: many of the participatory budgeting initiatives across Latin America bear a strong family resemblance to early Brazilian practice. However, as it traveled to Europe and North America, many of the newer forms were relatively poor imitations.

An intriguing development is the emergence of autonomous public organizations charged with promoting public participation. The Quebec Environmental Public Hearings Board and the former Danish Board of Technology are rare examples of institutions that have been created by governments with the mandate to establish independent, high quality and recurrent practices of participatory governance in specified areas of policy.

the equal status and worth of each citizen in the sense that all can see that they are treated as equals despite all the disagreements and conflicts of interest that arise in modern societies. Democracy achieves this by giving people an equal say in the making of collectively binding decisions and by protecting basic civil rights. This equal say involves equality in capacities to deliberate with fellow citizens and equal voting power and capacities to negotiate when disagreements persist. The challenge is to extend and deepen this idea in the context of highly pluralistic and globalizing societies.

We have structured the chapter along the fundamental

challenges democracy is facing in the twenty-first century. The first part explores the challenges of socioeconomic inequality, gender inequality, religious inequality, racial inequality, generational inequality, and racial inequality. It then turns to globalization as an external threat to public equality, populism as an increasingly powerful internal threat within the OECD world, and the challenge science and technology pose to democracy. Though these single sections focus particularly on the challenges to democracy, they also provide some responses to them. The second part of the chapter changes the focus insofar as it deals mainly with responses, such as some proposals for reestablishing the demos and reationalizing democracy, democratic innovations in Europe and Latin America, and the democratic norms that should guide the procedures of supranational governance. We conclude with suggestions for limiting the effects





of inequality of wealth on democratic decision making and some different ways of organizing electoral systems for increasing minority participation.

#### **WHAT IS POPULISM?**

All populist movements exhibit a strong reservation and even hostility to the mechanisms of representation, in the name of an almost unanimous collective affirmation of the will of the people under a leading figure and above party pluralism. Yet they do not renounce representation to institute direct democracy. Populism is “parasitical” not on democracy in general but rather on representative democracy in particular; it is a distorted form developing from within it, rather than a regime of its own. The relationship of populism with democracy is an issue of contention rather than compatibility.

Populism is not external to representative democracy but competes with it about the meaning and use of representation as a strategy for claiming, affirming, and managing the will of the masses. Its representative claim is the source of its radical contestation of parliamentary democracy, its real target. Indeed, it treats pluralism (of interests and ideas, but also as manifested by parties) as litigious claims that fragment the body of popular sovereignty and thus must be simplified so as to create a polarized scenario that makes the people immediately know how to judge and with whom to side. Simplification and polarization are in the view of achieving a deeper unification of the masses against the existing elites and under an organic narrative that most of the time a leader embodies. Hence, we propose to identify populism with two intertwined political processes: one that goes toward polarization of the citizenry in two homogenous groups (the many and the few), and the other that goes toward a verticalization of the political system that minimizes the role of deliberation and mediation and exalts instead that of strong majorities and steadfast decisions. Polarization and Caesarism go hand in hand and both of them constitute a radical challenge to constitutional democracy.



## PART III TRANSFORMATIONS IN VALUES, NORMS, CULTURES

- It is a mistake to equate social progress with the withering of traditional identities or the dis-embedding of individuals from community. Social justice requires a set of social relationships and cultural repertoires that sustain human capacities in an inclusive way, and radical individualism is as much a threat to this as sectarian communalism or authoritarian traditionalism.
- There is social progress when belonging as identity becomes more rather than less inclusive, when solidarity feelings emerge between different groups with vastly different cultural and social and moral values, and when people enjoy an “unalienated life” overcoming the individualistic atomization that is so prevalent in modernity.
- Some 80 percent of the world’s population affirms some kind of religious identification, a percentage that is growing rather than declining. Researchers and policymakers pursuing social progress will benefit from combining critical assessment with careful attention to the power of religious ideas, practices and communities to enact social change, and to the potential benefits of creative partnerships.
- There is a broad trend toward legal acceptance of consensual adult partnerships, although with regional variation; an overall tendency towards more gender equitable family law and greater gender equality; and improvements in women’s bodily integrity and more shared decision making, as well as enhanced wellbeing of the family as a whole. These trends require concerted efforts by the state to both provide and enforce a legal and social framework in support of gender equality.
- Globally, on average, we live longer and better lives. Yet some countries and groups lag behind or even experience rising mortality. Vigilant monitoring of these inequalities, combined with forceful engagement with their economic and social determinants, are needed to ensure that the favorable trends in the contours of human life become each person’s birthright.
- Education is expected to foster social progress along humanistic, civic, economic, and social equity dimensions. This requires expanding early childhood education, improving the quality of schools, enhancing the role of educators, and making higher and vocational education more inclusive and socially relevant.

### 15 SOCIAL PROGRESS AND CULTURAL CHANGE

In this chapter, we take on the challenge of how to assess social progress while taking full account of the particularities that characterize cultures (and religions, ethnicities, national belonging). Drawing on the example of modernization theory in the postwar period, we discuss some common pitfalls in the ways in which culture and processes of cultural change are perceived and understood. We focus on two issues that are of particular relevance to the IPSP: the need to nurture an ethos of solidarity and citizenship; and the need to address risks of cultural exclusions and stigmatization.



One important obstacle to taking adequate account of culture lies in the persistent, if not always explicit, influence of “modernization theory” in the social sciences. According to this theory, modernization is characterized by a series of social processes—such as education, literacy, urbanization, legal codification, and bureaucratization—which dis-embedded people from their traditional ways of life. People no longer simply inherit ascribed roles and relationships within a traditional culture, but are exposed to different ways of life, and (to varying degrees) have options for the kind of person they want to be, and the kind of life they want to lead. The inevitable result, according to modernization theory, is a kind of individualization, and this kind of individualization is indeed a marker of “progress.”

Instead, we argue that (1) individuals by their very nature draw on social ties and cultural orientations to create fulfilling lives, however individualistically they may see themselves; (2) the dis-embedding of individuals from inherited social roles and communities can take both emancipatory and pathological forms; and, conversely, (3) the embedding of individuals within strong community identities can also take multiple forms, some progressive and some pathological. As a result, it is a mistake to equate social progress with the withering of traditional identities or the dis-embedding of individuals from community. Social justice requires a set of social relationships and cultural repertoires that sustain human capacities in an inclusive way, and radical individualism is as much a threat to this as sectarian communalism or authoritarian traditionalism.

#### MODERNIZATION AGAINST MODERNITY?

In the minds of modernization theorists, modernity was usually understood along the lines of a Western liberal-democratic nation-state, committed to individual rights and material opportunities guaranteed to all on the basis of their universal citizenship status (rather than on the basis of particularistic relationships of kinship, ethnicity or religion). This vision relied on the assumption of a virtuous circle between modernization (the rationalization of economics and politics) and modernity as a political culture of freedom and equality.

In reality, however, the link between modernization and modernity has proven to be anything but direct. In many cases, on every continent, modernization unfolded without modernity, and indeed even repressed or inhibited modernity. From fascist Germany to communist Soviet Union to the military dictatorships of Latin America, intense modernization processes were put in place, promoting bureaucratic modernization and industrial productivity and the expansion of human capital, but suppressing human rights and individual freedom. Modernization can lead to authoritarian if not totalitarian political orders as much as to democracy.

Moreover, even where political authoritarianism has been avoided, modernization processes have not necessarily generated a humanistic ethic of respect for subjectivity and diversity. Instead, all too often, we find an instrumentalization both of social life and of the natural world. The current crises of global warming, the extinction of species, the exhaustion of natural resources, and the pollution of water, soil, and air can be seen as the manifestation of a “depredation culture,” made possible by an unprecedented capacity to transform nature. Attitudes towards immigrants, children, the poor, the elderly, or those with disabilities are often governed by instrumental calculations of economic returns, not by a sense of solidarity or shared fate. Here again, modernization as rationalization does not by itself guarantee that we have an ethically meaningful or sustainable image of development or progress, and may end up instead with an instrumental reification, treating other humans, other species and nature as simply resources to be manipulated or exploited in the name of bureaucratic or economic efficiency.



We also argue that modernization theory's core assumptions about the decline of traditions and the rise of new, rationalized forms of sociability, can operate to exclude wide segments of humanity from the categories of modern, reflexive, or cosmopolitan social actors. We explore how non-elite actors draw on their seemingly "parochial" or "traditional" identities to help develop new forms of solidarity, including transnational ties. While claims to protect cultural integrity or religious orthodoxy can be invoked to block social progress, we must take our analyses below surface-level rhetoric, and examine the ways in which religious, political, and legal actors actually engage in the (re)interpretation of traditions, such as the ways that Islamic jurisprudence is being reinterpreted to favor more gender-equal forms of practice. Cultural resources may be particularly important when they draw on deep-seated senses of obligation

and orientation to garner support for change; the challenge is to bring about convergences on broadly-recognized desiderata of bettering human welfare.

#### JUDGES FAVOR WOMEN IN ISLAMIC COUNTRIES

First, judges have tended to interpret the legal framework (which retains its gender-unequal formulations) in such a way as to favor women when possible, for example by using wide definitions of "harm" (darar) done to a woman and narrow definitions of her "disobedience" (nushûz), which is the basis of counterclaims sometimes made by husbands. Tunisia provides one example. Judges on the Tunis family court (where almost all judges are women) have generally applied the norm that to abandon the marital home without good cause would indeed count as nushûz, and that in a divorce case such behavior could lead a judge to award the husband damages. But they also hold that if a wife claimed that she did so for good reason, she should be believed unless the husband can prove otherwise. Furthermore, in practice, even when the judges found that a wife had committed nushûz, they refrained from awarding damages.

Across many countries, Islamic judges tend to grant women divorces when asked to do so. The available evidence indicates that women usually win their divorce if they pursue the case. In some countries a major reason for this is the gradual acceptance of marital discord as grounds for dissolution. In Morocco, for example, legal reforms passed in 2004 led to a sharp rise in divorce suits, most brought by, and won by, women, and almost all women who brought suit on grounds of discord, notably easy to prove, won. Women's suits based on the husband's absence or failure to adequately support his wife also were granted most of the time: in a Cairo sample from 1972-82, women won 95.5% of their cases on these grounds or on other grounds involving the husband's failure to adequately fill his role. In 2000, new laws were passed in Egypt explicitly allowing khul' divorces, and a Cairo study done in the early 2000s found that 67 of 69 women bringing khul' divorce suits obtained their divorces.

"Traditional" or "primordial" attachments are not unconditionally regressive or backward. The persistence of such attachments, and their political mobilization, is not always to be regretted, but rather can, under some circumstances, serve as a vehicle for progressive politics and cultural change. We need a more fine-grained way of assessing the mobilization of groups to protect their "cultures" and "identities." We illustrate these dynamics through a series of cases and debates, including case studies of

intercultural health initiatives in Latin America and evolving identities in sub-Saharan Africa, as well as debates over the new spatial dynamics of culture, and over Islamic family law—all of which offer lessons for how to identify (and to render productive) the ambivalences inherent in both individualization and traditionalism, and thereby offer new ways to think about social progress.

Drawing on these examples, we believe that modernity can be realized through distinct cultural and religious traditions. Indeed, we see culture as a historical quarry from which social imaginations extract creative and substantial framing of modernization in local meaningful



ways, and culture may be a powerful source for synergies between identity dynamics and socially-inclusive forms of individualization.

In much public and academic discussion, this idea is sometimes discussed under the heading of “multiple modernities.” According to one simplistic version of this idea, modernization does not necessarily lead societies to converge on particular economic or political forms (such as secular liberal democracies), but rather can take very different forms shaped by different cultural or religious traditions, such as Muslim or Evangelical conceptions of modernity, or modernity as developed in a more authoritarian direction in Singapore or Qatar. In our view, when the idea of multiple modernities is interpreted in this way—as a clash between monolithic civilizational models of modernity—it too often operates to suppress both intercultural learning and internal dissent and critique. However, the idea of multiple modernities can help clarify the normative stakes in evaluating different models or trajectories of social progress. We find that many of today’s intellectual and political struggles concern the tension between universalistic political ideas, on the one hand, and particular sets of norms and values that are generated and reproduced in specific political contexts, on the other. Adopting the idea of a plurality of viable and attractive trajectories toward social progress directs us to examine at a more detailed level the mechanisms that can and do move institutions and societies towards broadly acceptable goals and at the same time draw on (often disparate) elements of cultural and religious traditions and convictions. Put simply, there may be effective convergence towards broadly held ideals about equality and justice, but where these ideas are framed in terms of distinct cultural and religious views and resources.

The challenge then becomes: given profound differences across cultural and religious convictions—which do not reduce to “societies,” “regions” or “civilizations”—what mechanisms can be said to both develop consistently with those convictions and aim to achieve social progress, as all might be able to recognize it? To take one broadly held aspiration, do we find distinct pathways towards gender equality that also preserve key elements of, say, Evangelical, or East Asian, or Amazonian ideas and practices? We explore this question through an extended case study of reforms of Islamic family law that move toward greater gender equality while preserving local Islamic understandings. These reforms are carried out through new legal codes and court decisions, without directly challenging the validity of long-standing understandings transmitted by scholars of Islam. In this way, they preserve the space between religious authorities and legal authorities that allows for trading concepts across different registers, different understandings of law. We explore this idea of “practical convergences,” and how it can contribute to a richer understanding of the prospects for social progress in our diverse world.

## **16 RELIGIONS AND SOCIAL PROGRESS: CRITICAL ASSESSMENTS AND CREATIVE PARTNERSHIPS**

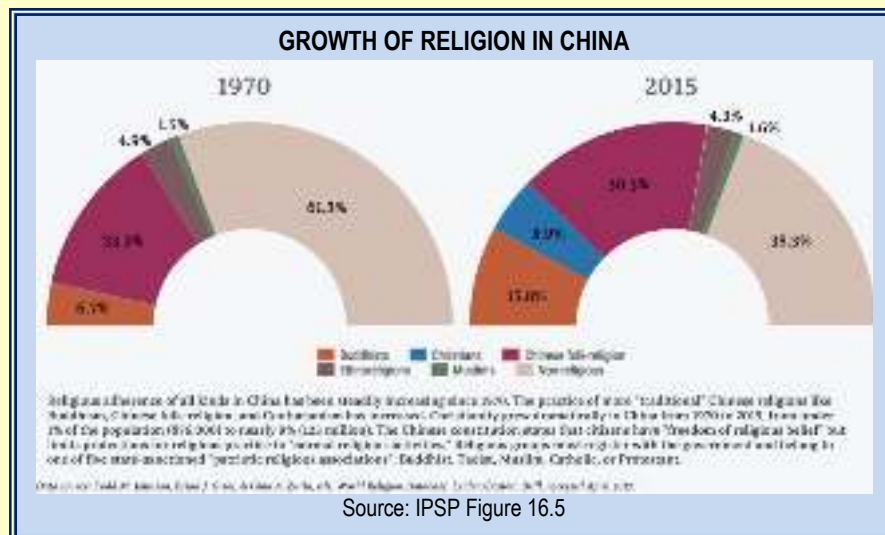
This chapter starts from the premise that some 80 percent of the world’s population affirms some kind of religious identification, a percentage that is growing rather than declining. Emphasizing the significance of belief and practice in everyday lives and local contexts, we analyze the impact of religion and its relevance to social progress in a wide variety of fields:



family, gender, and sexuality; diversity and democracy; conflict and peace; everyday wellbeing; and care for the earth. We also identify a series of cross-cutting themes that establish a foundation for policy-making.

Our overall goal is to provide ways to assess the nature and significance of religion in the specific local contexts in which social progress is pursued. Careful assessment includes attention to everyday practices, not just official doctrines. We demonstrate that religion—understood as identity, practice, belief, or membership—may either facilitate or hinder social progress. In addition, religion is in itself a cultural good; thus, social progress must include nurturing spaces in which individuals and collectivities can pursue religious ends.

Examining family, gender, and sexuality, we affirm that domestic and gendered relationships have always been shaped by religious rules, rituals, and prohibitions. Here we offer tools for assessing both religious obstacles and the potential for partnership in the quest for progress in these most basic of social locations. Setting aside a lingering binary between secular progress and religious reaction is the first step. A burgeoning literature reveals both a strong defense of



the nuclear family on the part of some religious organizations, but also progressive reinterpretations and tactical uses of existing tradition on the part of others.

Regarding diversity and democracy, there is a range of religious ecologies that arise from population movement and media

connections. As multiple religious communities encounter each other, the goal remains constant: to discover how religiously diverse people learn to flourish in each other’s company. This implies the development of governing structures that are accountable to, and representative of their citizens. We consider different understandings of multiculturalism, secularism, and democracy, noting that religious traditions themselves have capacities to promote democratic governance. Not least, “street-level ecumenism” (pragmatic cooperative activity) is often more effective than a dialogue between religious or secular elites.

Do religions feed conflict or promote peace? A clear conclusion emerges: religion is neither inherently violent nor inherently peaceful, but includes practices, beliefs, values, and institutions that can lead in either direction. A careful assessment of the particular context and the particular religions in play is likely to enhance social progress. Close attention is paid to sites—geographical, political, and social—of potential destructive violence and effective peace-making. The sometimes tense relation between human rights and religion is central to the discussion.



Religion also affects many dimensions of everyday wellbeing. Specifically we argue that economic wellbeing, education, and healthcare are goals shared by religious groups and are often woven into religious worldviews. That said, there are many places where religious ideas and practices are at odds with secular norms. Finding common ground can be difficult, but well-chosen partnerships can vastly extend the reach of programs that enhance wellbeing. States, non-governmental organizations (NGOs), faith communities, and religiously-infused local cultures all have a role to play.

As far as “caring for the earth” is concerned, one must recognize that religious understandings of the earth and faith-based activism on behalf of the environment

share much with secular groups. Once again, effective partnerships enhance the capacities of the diverse players in this field. More profoundly, at least some faith communities assert a moral stance which contests the very framing of “environment-as-resource” in global capitalist society, challenging thereby entrenched systems of power, knowledge, and technology.

Finally, our “action toolkit” captures the essence of the chapter. It starts by drawing the threads of the chapter together in five interconnected themes: the persistence of religion in the twenty-first century; the importance of context in discerning outcomes—underlining the role of social science in this; the urgent need for enhanced cultural competence and improved religious literacy; the significance of religion in initiating change; and—especially—the benefits of well-judged partnerships. Each of these themes concludes with an action toolkit.

In sum, we argue that researchers and policy makers pursuing social progress will benefit from careful attention to the power of religious ideas to motivate, of religious practices to shape ways of life, of religious communities to mobilize and extend the reach of social change, and of religious leaders and symbols to legitimate calls to action. The continuing need for critical but

#### RELIGION AND FEMINISM

Internal religious critiques of sexism date back at least to the nineteenth century. Worldwide, effective calls for equal human dignity have sometimes taken religious as well as secular forms. Fresh energy was poured into religious movements for progressive change from the 1970s onward. In the wake of the Iranian revolution of 1979, for example, an epistemological and theoretical shift took place in Islamic thought which involved the historical contextualization of Islam and women’s roles and responsibilities in Muslim societies. This fed into an ongoing attempt to dissociate Islam from structural inequalities and cultural practices sanctioning discrimination against women.

In Christianity, a great deal of effort was injected into campaigns for women’s ordination as priests, which proved successful in most Protestant denominations between the 1920s and 1990s, but not in the Roman Catholic or Orthodox Churches. These campaigns were accompanied by the development of “feminist theology,” in which Christian doctrines, ethics, and liturgy were read and reinterpreted through an explicitly feminist lens. In Buddhism, there were successful efforts to revive orders of Buddhist nuns. Female religious orders remain important in several religions, including Roman Catholic Christianity, where they focus women’s collective energy and often work actively for greater equality—sometimes against the wishes of male authority.

In Islam, recent reform movements include Musawah, initiated in Kuala Lumpur and currently headquartered in Rabat. Musawah aims to reform Muslim family law, working with legal experts, Islamic clergy and scholars, as well as anthropologists and historians. By highlighting the diversity of legitimate Islamic juristic opinion and by engaging in research on the ground, it seeks to shift the construction of marriage and gender relations from one in which women are obedient and subjugated to one more compatible with scriptural injunctions to show love, mercy, and equal respect for both genders. Musawah continues to advocate reform in family laws in many parts of the world and has had some notable successes, for example in legal reform in Morocco. Such initiatives are not without critique from other Muslims, however.



appreciative assessment and the demonstrable benefits of creative partnerships are our standout findings.

## 17 PLURALIZATION OF FAMILIES

The family is an institution central to individual wellbeing because it provides caretaking, human development, economic interdependency and affiliation. This chapter defines families as closely-knit social groups bounded by relations of locally recognized kinship that are based on expectations of reciprocity, obligation and obedience, usually but not always based on blood lineage and/or stable bonding and dwelling.

The vast majority of the world's population lives the majority of their lives within family units, of all shapes and sizes. Regardless of the tremendous diversity in family type and composition, and their socio-economic, political and cultural contexts, all families have certain commonalities.

### RECOGNIZING FAMILIES IN THE LAW

The goal of state policy should be to support the broader range of relationships in which people are organizing their family lives, consistent with promoting human dignity and fairness within and outside of these relationships. The following principles would further these goals:

- Same-sex couples should be treated the same as opposite-sex couples
- States may want to make available other formal partnership statuses besides marriage to support long-term caregiving that does not fit the traditional conjugal model and to ensure fairness for the partners if the relationship ends. Such formal statuses increase the likelihood that people will stay together to provide one another the care that each needs, and establish a stable relationship in the event of children.
- Even those couples who do not formalize their relationships should be accorded some rights and responsibilities when a relationship is long-term, especially when children are involved.
- We support the African Protocol of Women's Rights, which endorses monogamy but in the case of polygamy, calls for measures that support the property rights of all wives, as well as their consent to future marriages of the husband.
- When determining which adults have parental rights and responsibilities, both biological and social factors should be given weight, and established relationships should trump biology alone. However, biological parenthood is a sufficient basis upon which to impose child support obligations.
- Children born to unmarried parents should receive the same rights and protections as children born within wedlock. By the same token, unmarried parents should have the same legal rights to parentage as married parents.
- Parents who live outside the child's household should be expected to pay a fair share of the child's support.
- Transnational families—a common form of household maintenance for migrant workers across the globe—forces the geographic separation of family members at the expense of their intimate ties. National laws and international conventions should support the right to family reunification.

They all must confront the need to balance production and reproduction, or, in other words, ensure income and care. Most families at some point raise children, and all age if they are lucky enough not to die young. At best, families also provide their members with love, and a sense of meaning and belonging. At worst, families may grapple with severe material deprivation or be settings for neglect, abuse and inequality in power relations, stunting the ability of their members to flourish as human beings. Families are also a site of potential struggle and conflict.

The driving question of the chapter is how can societies support conditions for the 21st century that allow families to flourish, and at the same time, promote individual agency, equality





and dignity. Two interlocking questions follow from this: first, how can societies support families' important functions—caregiving, human development, and belonging—in order to promote the dignity, life opportunities, and risk protection of family members? Second, as they support these functions, how can societies minimize socioeconomic and other inequalities and domination that families often reproduce, within and between them?

This chapter is divided into three parts. The first part provides a broad context for discussing families. It identifies boundaries between families and other spheres or institutions; outlines historical trends; summarizes contemporary challenges; discusses the legal recognition of families, both regarding partners and offspring; and finally, situates the socio-economic context of families. Part two focuses on relations within families. The discussion is divided into four sections: relations between partners; adult-child relations; aging family members; and other adults. Part three provides policy recommendations.

The empirical evidence shows a broad trend toward legal acceptance of consensual adult partnerships, although with regional variation. On partner relations, the evidence shows an overall tendency towards more gender equitable family law and greater gender equality in education, labor force participation, and asset ownership, and that these are associated with improvements in women's bodily integrity and more shared decision making, as well as enhanced wellbeing of the family as a whole. At the same time, these links are not automatic, and require concerted efforts by the state to both provide and enforce a legal framework in support of gender equality. On adult-child relations, the evidence shows that a state role in ensuring income floors to families with children is essential for children's physical and material wellbeing. Beyond this, ensuring a healthy balance of family (including paternal) care

#### RECONCILING WORK AND FAMILY

With the massive increase of women into the labor force, states have grappled with updating the maternalist assumptions that have implicitly or explicitly guided public policies, namely, that mothers will privately accomplish optimal levels of childcare with some help from female relatives and fathers. States have two direct ways of helping parents reconcile paid and unpaid work responsibilities. The first, employment-based leaves, allow mothers and increasingly fathers to take breaks from employment to care for children at home. The second way is to support the defamilialization of care by providing public or subsidized early education and care services that promote both children's development and enable parents to remain in paid employment.

Employment-based paid leaves that allow workers time off to care for dependents play an important part both in ensuring the financial security of families and needs of young children for parental care. The overwhelmingly positive effects of paid maternity leave have been extensively documented, for the health of newborns (and thus an investment in child wellbeing and human capital down the road), for the health of the mother (recovery from childbirth, initiation of breastfeeding), for the ability of especially the mother to remain in the labor force, and for the income security of the family at a particularly vulnerable time, as well as in the future, since mothers' employment is linked with child. Thus, paid maternity leave has become globally accepted as almost a universal right in principle, with the exception of the United States, Papua New Guinea and Suriname.

Children's access to caretaking outside the home, especially after their first year, is also important for their development. The beneficial educational effects of good quality early childhood care, both in terms of promoting equal opportunity and human capital overall, have been extensively documented. Indeed, children's equal access to early childhood education and care services is crucial for child wellbeing, equal opportunities and human capital later in life, since these children do better in elementary and high school, and even much later in life, compared to other children. Studies have also shown the cost effectiveness of early education; in Canada, it has been shown that for every dollar invested \$1.75 was recouped, through taxes paid by parents and the reduced spending on social programs.



and good quality institutional care allows children and their families to flourish. Finally, state efforts to protect children are most successful when they routinely support families in preventive ways. Care for older people around the world remains centered in the family. The challenge for aging societies is to ensure access to care services to relieve the burden on families, especially already overburdened women, and to ensure the dignity of older people.

The policy recommendations include, on family recognition, that the goal of state policy should be to support the broader range of relationships in which people are organizing their family lives, consistent with promoting human dignity and fairness within and outside of these relationships. For rights and regulations within families, laws should uphold equality and dignity between partners (and other adults), and respect and protection for children.

Given the massive transformations that families have undergone over the past half century, to deal with 21<sup>st</sup> century challenges we recommend a strong, two-fold role of the state (beyond legal regulations) to ensure flourishing families: first, transfers that guarantee a minimum income floor for all families with dependents (children, disabled, elderly); and second, publicly funded health, education and care services with universal principles, to allow families to maintain a healthy balance between the twin responsibilities of production and reproduction. While some of these investments pay for themselves over the medium and long term, we also make a call for progressive taxation, including a strong inheritance tax, to alleviate inequalities between families. In sum, families based on egalitarian principles, with supportive state policies that allow families to flourish, provide the most conducive setting to do what families can do at their best: provide a space where persons are loved and nurtured, love and nurture back, and are able to flourish to their fullest potential.

## **18 GLOBAL HEALTH AND THE CHANGING CONTOURS OF HUMAN LIFE**

The “contours of human life” include childhood and adolescence, reproduction, the experiences of health, illness, disability and death. These stages and aspects of life are universal and will remain so. However, social, environmental and scientific changes are transforming their timing, texture and patterns—and these transformations are not universally shared. Serious inequalities persist, among and within countries and regions, in longevity, morbidity and disability, control over reproduction and sexuality, and in care at the end of life. This chapter addresses these changing contours of human life in six sections: coming into being; longevity; diminished health; reproduction; enhancement; and death and dying.

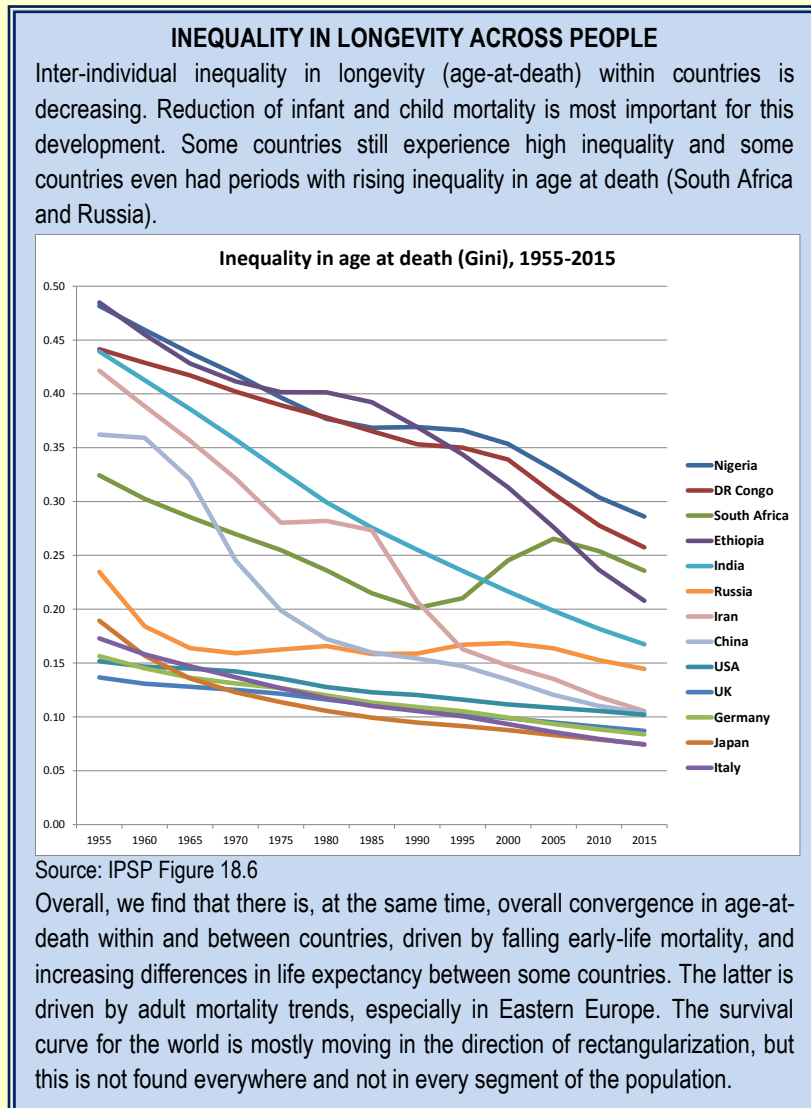
We come into being as infants, children and adolescents. In most parts of the world, life expectancy of infants and children has improved. Yet an infant’s chances of surviving to adulthood are strongly linked to country of birth. The persistence of unmet need for disease intervention, and avoidable suffering among millions of children, is concentrated in poor regions and countries. There, adolescents also, whose numbers are at an all-time global high, are vulnerable to infectious diseases affecting other children, as well as harm from injury, violence, alcohol and drug abuse.



Globally, on average, we live longer and better lives. Success in reducing infant and child mortality contributes greatly to increasing life expectancy and the convergence in age-at-death globally. Yet some countries and groups lag behind or even experience rising mortality. In rich countries, those with more education tend to live longer than those with less education; shorter lives are more common in many poor countries, those burdened by the HIV/AIDS pandemic and in post-communist Eastern Europe. While overall gains in life expectancy and longevity are substantial and promising, national and global data indicate divergence as well as convergence.

Diminished health compromises the value of longevity. Diminished health is also of concern for occasioning pain and discomfort, limitations or impediments to important activities, social isolation and stigma; and often for the need to seek and pay for care, which may be both urgent and financially catastrophic. The most vulnerable adult populations are people from the poorest wealth quintile, women, older people and people who are unemployed with low educational qualifications. In low and middle income countries, these groups bear a significant proportion of the cost of diminished health and disabilities because weak health and social care systems undermine lived experiences and health/social outcomes.

The extent to which people can make choices about their sexual and reproductive health is invariably intertwined with issues of disadvantage, inequity and rights violations. This stratification of reproduction is evident in forms of access to maternal health services, global fertility control strategies, abortion and contraception management and the access to assisted reproductive technologies. Across these domains, poor women in poor countries are the most disadvantaged.





### THE LIMITS OF ENHANCEMENT

The apparent difficulty of enhancement interventions to radically enhance biological functions is in many cases explained by the fact that human bodies are complex systems where different subsystems coexist in an equilibrium such that improving one function over a certain baseline often reduces some other functions. For example, while caffeine improves some cognitive functions, such as alertness and wakefulness, it has a detrimental effect on other functions, such as emotional stability. Hence, unless an individual is prepared to accept considerable medical risks, radical enhancement is rarely possible, as illustrated by the many side-effects that athletes using performance-enhancing drugs have suffered.

In the discussion of how to allocate medical resources, it is useful to make a distinction between enhancements that confer a positional advantage and those that confer a non-positional advantage. For instance, the enhancement of executive functions (self-control, planning, concentration) is better for the enhanced individual because such functions are very helpful in avoiding costly mistakes. The same enhancement may also confer a positional advantage in that the person may benefit from being better off relative to others with respect to these abilities, but it would still be good for the individual even without such a positional advantage. Other enhancements, such as doping in elite sports and cosmetic surgery, typically confer only or mainly a positional advantage. Such enhancements are beneficial to the individual only if they improve a specific function in comparison to other people. Were everyone to use the same performance-enhancing drug in a contest, then it is possible that no one would be positionally better off as a result of taking the drug, and considering the side-effects, all would probably be worse off with respect to their wellbeing.

While individuals most often cannot be expected to adapt their behavior in such problematic collective action situations, policy-makers should consider these problems when making decisions with regards to the allocation of medical resources. This is a typical collective action problem, where each individual stands to be better off by performing a certain act no matter what the others do, yet when everyone performs this act, each individual is worse off than she would have been had everyone not performed the act. Collective action problems of this kind are most often best solved by the intervention of an external actor (a regulatory body such as WADA, for example) which can impose costs, such as fines or banning athletes from future competitions, for such actions and thereby aligning the individual and the collective interest.

The important changes to the human condition that enhancement is likely to bring about will be social and cultural, rather than biological. This is likely to be mediated through the social effects of the widespread adoption of practices such as off-label use of stimulants like Ritalin. Still, these changes raise issues of inequality and will require regulation and rethinking of long-established principles in health policy.

Death and dying constitute an intimate and complex admixture of biomedical, social, cultural and personal elements that are in a dynamic process of change and transformation. Wealth and poverty—at personal, social and national levels—determine not only when and from what cause death will occur but also the experience of dying. In poor countries there is a notable deficit in palliation. In rich countries, there is an abundance of resources, which also has drawbacks in the form of over-reliance on institutional care and life-extending efforts

that go past the point of diminishing returns.

The value of longevity is compromised by an increasing number of people living with diminished health under inequitable systems of health and social care. Vigilant monitoring of these inequalities, combined with forceful engagement with their economic and social determinants, are needed to ensure that the favorable trends in the contours of human life become each person's birthright.

## 19 THE CONTRIBUTION OF EDUCATION TO SOCIAL PROGRESS

Education is the process of learning and expanding culture, and, as it contributes to the improvement of the human condition through better knowledge, health, living conditions, social equity and productivity, is a central tool for social progress. Education is expected to foster social progress through four different but interrelated purposes: humanistic, through the development of individual and collective human virtues to their full extent; civic, by the enhancement of public life and active participation in a democratic society; economic, by providing individuals with intellectual and practical skills that make them productive and enhance their and society's living conditions; and through fostering social equity and justice.

The expansion of formal education, which was part of the emergence of the nation-states and modern economies, is one of the most visible indicators of social progress. In its expansion, education created a complex web of institutions distributed according to different paths along the life course, from early education through the school cycles to the final stages of higher education, continuing with the

provision of lifelong education. This web of institutions is subject to breaks and cleavages that reflect their diverse and multiple historical origins and purposes and the asynchronous developments in different regions. From primary schooling, education institutions grew horizontally (by learning fields, subjects, or occupations) and vertically (by levels and credentials.) The allocation of children and young people to different tracks and institutions, by

### THE HUMANISTIC AND ENLIGHTENMENT ROLES OF EDUCATION

In the humanistic understanding of education's purpose, the emphasis is not on human beings' usefulness to the state or the economy or to a religious order, but on their own personal development and the sustaining and growth of cultural traditions as goods in themselves and necessities for social progress. The origins of this goal, in the Western tradition, can be traced back to the Greek concept of *paideia* and the European classical curriculum of grammar, poetry, rhetoric, history, and moral philosophy, which were deemed necessary to infuse students with values, knowledge and the abilities required to flourish as human beings and participate fully in their society. With the Enlightenment, education in the West became imbued with the values of rationality, science and human progress, including pragmatism and more practical orientations.

In higher education, the main issues are research and innovation, reflection and the humanities. The modern research university, which emerged after centuries of scholastic stagnation, gradually started to be a carrier of enlightenment values, such as rationality, scientific attitudes and the intellectual traditions of scholarship. Its classical model was the Humboldtian university of the early 19th century, glorifying *Wissenschaft* and creativity, in the sense of education through the creation of new knowledge, as preconditions for meaningful thinking, sound judgements and drivers of social progress. The German research university, together with the French model of high quality professional *Grandes Écoles*, became the main templates for modern universities worldwide, carrying enlightenment values into the 20th century. The US invention of the graduate school is seen as a next institutional step that has further improved the research function and contributed to differentiation of levels and functions in universities. Most higher education institutions throughout the world in the twenty first century are adaptations, not always very successful, of the German, French and American models.

There are also a few cases of new universities which seek to develop an alternative, "postcolonial" culture, through the recovery, creation and recreation of the knowledge and language of original nations and peoples, supported by social movements and intellectuals in different parts of the world. Examples include a Zapatista-supported school in Chiapas, México, Universidad de la Tierra; the Universidad Indígena Boliviana Aymar Tupak Katari; and the Universidad Indígena Tawantineyu, in Bolivia. The Gawad Kalinga Village Farm University in the Philippines, while not a formal degree-awarding institution, shares some of the same goals in celebrating traditional ways of life and in distancing itself from Eurocentrism.



### THE GLOBAL EDUCATION MOVEMENT

Education worldwide is promoted by a transnational advocacy network, composed of both intergovernmental and transnational nongovernmental organizations. This diverse set of organizations, which have proliferated in the last decades, has been instrumental in formulating transnational objectives, most notably the Global Campaign for Education and the Education for All agenda, as well as placing education as a pinnacle of the Millennium Development and Sustainable Development Goals. While intergovernmental organizations affect national education agendas through the activation of inter-state treaties, most other transnational organizations influence education agendas through “soft law” mechanisms, for example by setting standards in the form of comparative assessments. This international and transnational education governance intersects with national and sub-national education policy-making in numerous ways and influences its trajectory. They establish what is taken to be “best practice,” defining universal standards for curriculum, pedagogy, evaluation and the like. Global organizations have imprinted curricula worldwide by introducing discourses of social sciences, environmentalism and human rights to textbooks in schools worldwide and by promoting programs for girls’ education and lifelong learning. They also drove the rapid institutionalization of universal mass schooling and of higher education, particularly in poorer countries with weaker national polities. And still, the worldwide isomorphism that resulted from the decades of policy borrowing and lending has nevertheless preserved cross-national differences in education capacities and outcomes.

Whereas global and cross-national education policies focused until the 1980s on mass schooling and, with the advent of the global knowledge economy, also on higher education and innovation, the focus today is on lifelong learning. The orientation towards education as a continuous, and often also self-motivated, learning and skilling is spurred by the rapid changes of the global economy and the labor force. Such changes include the longevity of individuals, which extends the employability of working adults; they also introduce great uncertainty as to the competencies that are required for future gainful and productive employment. These uncertainties, and the “over the horizon” planning that they impose, call not only for promotion of continuous learning but also for changes in contents of education. Indeed, contemporary education policies globally and cross-nationally advocate a paradigm shift in pedagogy—towards flexible and non-formal education, towards digital literacy, and towards agentic learners. This global governance regime regarding lifelong and lifewide learning is formalized in such intergovernmental initiatives as the 2010 Belém Framework for Action, coordinated by such intergovernmental programs as the UNESCO Institute for Lifelong Learning, and advocated by the European coalition of nongovernmental organizations known as The Lifelong Learning Platform.

a mixture of choice and assignment, is a core process in formal education that often reflects and reproduces preexisting inequalities.

The chapter presents the main dilemmas and actions needed to allow education to fulfill its promises. Education policies, informed by the knowledge created by social research, should lead to more equity and productivity, while giving more emphasis to its civic and humanistic purposes, with special attention to teacher education. Governance structures should be flexible, participatory, accountable and aware of their social and cultural context.

The new agenda of Sustainable Development Goals for 2030 established in 2015 calls for a new cooperative paradigm based on the concept of “full global partnership” and the principle of “no one will be left behind.” Sustainable Development Goal 4 for Education aims “to ensure inclusive and quality education for all and promote lifelong learning.” This provides a broad framework for education’s contribution to social progress. To achieve this, it is necessary: (1) to expand access and improve

the quality of early childhood education, as a precondition for life-long educational success in all its goals; (2) to improve the quality of schools, including in learners’ direct interactions with their peer groups, educators and the surroundings; in institutional characteristics such as group size, student-teacher ratio, teacher qualifications and spatial and material conditions, and in the provision of a meaningful and relevant curriculum; (3) to enhance the role of educators,



considering that teachers are not just carriers of knowledge and information, but role models that have a significant impact on children's dispositions towards learning and life more generally; (4) to make higher and vocational education more inclusive and socially relevant, thereby enhancing the opportunities for students of all sectors of society to further their education in meaningful and practical ways, eliminating social and cultural restrictions of access and reducing the dividing lines between high and low prestige between institutions and careers. Additionally, appropriate use of the opportunities created by the new digital technologies is recommended. These are not a magic bullet that will replace existing educational institutions and create a new learning world. But they can be powerful instruments to improve the quality and relevance of education and its contribution to social progress.

#### ENHANCING TEACHERS' EFFECTIVENESS

Not all teachers are effective, not all teachers are experts, and not all teachers have powerful effects on students. In the most successful education systems, teaching is a prestigious and well-paid profession, and teachers are recruited among the best educated students. In others, particularly in low and middle-income countries, teaching does not attract the most talented. In these contexts, teaching education institutions tend to be also of low prestige and less endowed than other higher education institutions, and teachers are often not properly prepared to deal with the high expectations and often difficult tasks of providing good-quality education for children coming from poor socioeconomic environments.

A common reaction, well-documented in Latin America and elsewhere, is that teachers, particularly in the public sector, get organized in trade unions and political movements which allow them to assure some benefits in terms of salary, job stability and working conditions, but oppose the establishment of external standards and assessments, placing the responsibility for poor outcomes on the general conditions of the population or the lack of support from their governments. In this situation, in countries like Mexico and Brazil, which have some of the worst results in international assessments such as PISA, efforts to reform and improve public education alternate between entering in confrontation with the teachers' unions, as in Mexico, or attending their demands without the corresponding responsibilities, as in Brazil. In these situations, many families that can pay prefer to put their children in private schools, which often can recruit the best teachers, further depressing the quality of the public sector. In other countries such as Finland and Canada, teacher unions and/or professional organizations have become important supporters and drivers of progressive educational reform. Hence, it is important to design governance arrangements in such a way as to ensure that stakeholders engage in collective problem-solving rather than zero-sum bargaining for particularistic benefits.

## 20 BELONGING

This chapter consists, first, of an extended theoretical analysis of the concept of belonging in three dimensions: belonging as "identity," belonging as "solidarity," and belonging as "the unalienated life." And second, there is an extended empirical survey of different regions of the world where belonging in one or other of its analytical dimensions has surfaced in certain socially, politically, and economically situated contexts.

Belonging as identity, it is argued, can be both subjective and objective, and it is the former that is most obviously present in identity politics since people tend to politically mobilize themselves on the basis of identities when they subjectively identify with some important aspect of their social lives—their class, their caste, their race, their gender, their nationality, etc. A detailed effort is made to consider the relation between the subjective and objective sides of identity, to



### BELONGING IN NATURE

How is it that the concept of nature got transformed, in modernity, into the concept of natural resources? The process of detachment that the question asks of, seems to have had two conceptual steps. The first is to see nature exhaustively as what the natural sciences study, that is to say to deny that nature contains any properties that are not countenanced by the natural sciences. Natural sciences take a purely detached attitude towards nature, seeing it only as an object of explanation and prediction. They do not see in nature any properties that engage our practical (as opposed to theoretical) agency by making normative demands on us, properties such as values, for instance. This is a relatively recent transformation, perhaps no earlier than the 17th century. With the loss of sacralized conceptions of nature, there remained no metaphysical or theological obstacle to taking from nature's bounty with impunity, and that constitutes the second stage of the transformation of the idea of nature—the transformation of it to the idea of natural resources.

The chronic (and acute) environmental crisis we are now landed with has led to a lot of re-thinking on these matters and increasingly there seems to be a recognition of the wisdom in traditional indigenous cultures still active today in different parts of the world (Bolivia, for example), which claims that nature has rights that cannot be violated any more than the rights of human beings. This need not be a sacralized view of nature, but if it is right, we cannot just view nature in a detached way. If the thought that forests and trees and rivers have rights and make normative demands of practical engagement and respect on us as value, in general, does, is startling today, that is only to be expected. It took us long centuries to come to believe and to create institutions for the idea that human beings possessed rights. What is clear is that we cannot wait for centuries to rebuild such unalienated relations with nature.

define each of these, to locate the historical conditions in which each is prompted, and to address the question whether some of these identities are more fundamental than others.

Belonging as solidarity, it is argued, may occur both in mobilizations towards some immediate and shared political goal but also in the broader social and cultural context when different groups with vastly different cultural and social and moral values may nevertheless seek to engage with one another via an empathetic form of reasoning. In the latter case they exhibit a form of solidarity in a more conceptual sense than in mere political activism.

Finally, belonging in the form of an unalienated life is considered as a very specific form of social relation that overcomes the individualistic atomization that is so prevalent in modernity, in particular a form of social relation that repudiates the pervasive individualist mentality that constantly threatens the possibilities of social cooperation towards the common good (whether it be the common good of a just political economy or sustainable environment).

Each of these three dimensions of identity raise very complex theoretical and practical issues and the chapter makes some detailed effort at addressing the most important of these.

On the question of social progress, both the theoretical analysis and the empirical survey of different regions of the world yields an overarching normative conclusion about the relations between these three dimensions of identity: There is social progress when belonging as identity—through deliberate social and political efforts at wider solidarities and socially grounded overcoming of individual-centered alienation—becomes more rather than less inclusive. (The “becomes” here suggesting an essentially dynamic nature of the constitution of belonging.)

How such progress is made may emerge from a variety of conditions and may be variably pursued, but our regional surveys suggest that, central to these various possibilities is the need





to stress and to integrate two different agencies in any large-scale effort towards these ends: on the one hand the role of the state and the policies and reforms it can enact and on the other the element of democratic mobilization. The latter has two functions. Movements first of all put pressure on the state to enact policies that promote the conditions of cohesion that generate solidarities, civic rather than divided participation, and eventually unalienated social relations. But movements are also locations of public education through democratic collective deliberation, which if sustained over time, helps to create solidarities that transcend particular sites of language, ethnicity, religion etc. to a common register of common concepts and ideals. What forms these movements might take and what policies exactly they seek from the state will, of course, differ in different regional contexts.

Our different regional surveys throw up a range of further, more specific, conclusions. We very briefly list them, just to give a vastly summarizing sense of the detail that may be found in these surveys.

The reports from Canada and Sri Lanka propose startlingly different policies, the former weighing in favor of recognition of communitarian identities that should be dialogically brought together, while the Sri Lankan report stresses a more top-down state

intervention that discourages such communitarian differences for a more civic form of popular participation. One report on Europe traverses the vexed forms of exclusion that owe to language, in particular how deliberative democracy may be blocked by language constraints—first by lack of knowledge of the language of debate and then further by lack of access to the conceptual register of debate. The report on Islamic nations is a historical account of how

#### LANGUAGE, IDENTITY AND BELONGING

The question of language difference has not always been of concern to rulers. Feudal suzerains, absolutist monarchs and emperors did not habitually require their subjects to speak one and the same language. As long as there were adequate bilinguals in the chains of command there was little pressure for linguistic unity. This changed radically as the world became a mosaic of nation-states and democracy began to spread. The ideal in nationalism is that people, language and territory are congruent and the state the home of a homogenous nation. This was, of course, rarely the case and a good deal of social engineering was required to harmonize populations.

Achieving national communities of communication has not been unproblematic. It was always the language of a power group that was enshrined as national language and those with other cultural and linguistic heritages were constrained to converge or shift to this language variety. Since linguistic conformity was equated with loyalty, the system produced monolinguals as many accepted the national language as their sole medium for communication and identity needs. Those who maintained separate language communities (either through their own choice or through exclusion) became “minorities,” often to their detriment. The nation-state system divided the world linguistically as well as politically, producing a mosaic of national languages.

We cannot claim that this world is now part of history; the nation-state is clearly still a very potent force in the world and a key focus of belonging. However, the flows, exchanges and networks of an increasingly globalizing world are challenging the strict division of populations into national groups whose main communication takes place within that group. There is greater contact as migration increases under the pressures of continuing global economic inequality and the extreme political insecurity in war zones and lawless states. There is greater contact as increasingly global structures of economic activity produce a highly mobile workforce on all continents. There is greater (virtual) contact as fact and opinion circulate on the internet, to which approximately a third of humanity has access. In all of these fast evolving aspects of globalization there is also a linguistic dimension. Who is talking to whom and in what language? How are new virtual communities of communication being constructed? Who is excluded? Who has access to knowledge? Who does not? For all of us concerned with belonging and solidarity language raises significant and complex issues. As it always has.



identities formed and ideologies developed into an ethical register, despite seemingly politically articulated goals.

Throughout the chapter, there is a sustained and sturdy conviction in a methodological stance that the ideal of belonging (in these aspects of the unalienated life and solidarity and inclusive identity) is what most deeply underlies the other great ideals of modern political thought, the ideals of liberty and equality, and that if we lost sight of this more fundamental underlying ideal, then the pursuit of liberty and equality would be in danger of being reduced to an exercise in social engineering.



## CONCLUDING CHAPTERS

- The uneven character of progress is manifest in many different domains. Increases in the global reach of formally democratic institutions have been accompanied by growing concerns about their stability, efficacy, and consistency with democratic ideals.
- Theory and research suggest that a number of emerging institutional innovations, such as universal basic income, democratic firms, participatory democracy, could contribute to the development of a more collaborative, democratic and egalitarian society.
- Social science should move beyond the critique of existing institutions toward a more focused and inventive process of exploring new ones. Social scientists must grapple with giving policy advice that takes account of distributional concerns, rather than seeing inequality as a separable problem that can be hived off to a specialized set of policy instruments.
- The influence of social science on policy formation often comes in a technocratic mode and not in conversation with the population. Social scientists need to think carefully about how to enter democratic discourse and should also pay closer attention to the design of democratic institutions themselves.

### 21 THE MULTIPLE DIRECTIONS OF SOCIAL PROGRESS: WAYS FORWARD

This chapter engages with three important themes of the larger report: the meaning of progress, its uneven nature, and obstacles to future progress. It also considers a number of political and economic alternatives aimed to overcome these obstacles, emphasizing the need for diverse strategies, open-minded experimentation, and scientific assessment.

While it may be impossible to ever reach agreement, the effort to calibrate different interpretations of progress remains an important exercise for political deliberation about how to make the world a better place. The very hope of moving forward implies some agreement on a destination. All of us must take responsibility for the future.

Our discussion emphasizes the complexity and multidimensionality of the interpretive debate, but also calls attention to its ideological character. Social actors—individuals, groups, and even academic disciplines—tend to define progress in ways that serve their own interests. In a way, distributional conflict undermines our very efforts to better understand and mediate such conflict.

The uneven character of progress is manifest in many different domains. Increases in the global reach of formally democratic institutions have been accompanied by growing concerns about their stability, efficacy, and consistency with democratic ideals. Successful economic development has created a new category of “middle-income” countries, even as it seems to have contributed to income polarization within many at the top.



The so-called “welfare state” was a major advance in the 20th century. Government programs have expanded education, improved health, and created new forms of social insurance in many areas of the world. But slower economic growth and intensified social divisions in recent decades have created pressure for cutbacks. Many governments can no longer effectively tax or regulate corporations that have the power to relocate and minimize such inconveniences. In both Europe and the U.S., austerity-based policies are reducing public support and services for many vulnerable groups, including single mothers, students, the long-term unemployed and pensioners.

In most, if not all countries, women have gained greater access to education, political rights, and economic opportunities.

However, increases in their formal labor force participation seem to have stalled, and women continue to shoulder a disproportionate share of the burden of caring for dependents. Public policies that support family work, such as subsidized child care and paid parental leaves from work, vary considerably in coverage both within and across countries. In the U.S., highly-educated women are able to bargain for family-friendly benefits; in large metropolitan areas they can easily hire low-wage women migrants to reduce their own family care burdens. Gender differences are now heavily inflected by differences based on citizenship, race, and class.

Economic inequality has also undermined progress toward environmental sustainability.

Innovative new technologies offer

ways of averting disastrous levels of climate change and ecological damage. But their implementation is often blocked by groups with powerful interests in the status quo who are protected from (or unconcerned by) the long-run consequences of their actions. Likewise, both political and economic power shape the direction of scientific and technological change, with little scope for democratic participation.

Why has progress been so uneven? Existing forms of capitalism both concentrate economic power and discourage the provision of public goods. But class differences alone cannot account

#### UNIVERSAL BASIC INCOME

Universal basic income (UBI) is a proposal to give every legal resident of a territory an income sufficient to live above the poverty line without any work requirement or other conditions. Taxes are raised to pay for the UBI, so even though everyone gets the income, high-income earners would be net contributors (their increases in taxes would be larger than the UBI they receive). Existing public programs of income support would be eliminated, except for those connected to special needs (e.g. disabilities that require extra income). Minimum wage laws would also be eliminated since there would no longer be any reason to prohibit low-wage voluntary contracts once a person’s basic needs are not contingent on that wage. The UBI for children would be calibrated at some appropriate level compared to that for adults.

UBI opens up a wide array of new possibilities for people. It guarantees that any young person can do an unpaid internship, not just those who have affluent parents who are prepared to subsidize them. Market oriented worker cooperatives would become much more viable since meeting the basic needs of the worker-owners would not depend on the income generated by the enterprise. This also means worker cooperatives would be better credit risks to banks, making it easier for cooperatives to get loans. UBI would constitute a massive transfer of resources to the arts, enabling people to opt for a life centered around creative activity rather than market-generated income. The social and solidarity economy would be invigorated, including new forms of caregiving cooperatives. UBI would also be a way of supporting people who provide carework for family members outside of the market. UBI, if it could be instituted at a relatively generous level, would move us significantly towards the egalitarian principle of giving everyone equal access to the material conditions to live a flourishing life



### DEMOCRACY BY LOT

There is an alternative to elections that has an ancient pedigree: selection of public officials for a legislature by random selection. This is sometimes referred to as a sortition legislature. This was the way legislators were chosen in ancient Athens, albeit within very exclusionary definitions of citizens. And in many countries today, this is the way juries are selected in courts. Could random selection be adapted to legislatures in liberal democracies? And in what ways might this enhance democracy?

Here is a sketch of the design of a possible sortition legislature: The legislature would consist of two chambers. In the first, members would be elected in a conventional manner; in the second—the sortition chamber—members would consist of randomly selected citizens. Depending on the political and cultural context, the sample could be stratified on various dimensions to ensure that it reflected the salient demographic and social characteristics of the population.

The sortition chamber would have the same powers and responsibilities as the elected chamber, including budgetary authority and the opportunity to draft, debate, and vote on laws. Sortition legislators would serve sufficiently long terms to gain experience, for example four-year terms, with one quarter being replaced each year. The pay would be generous—say twice the median annual earnings—making the job an attractive one financially for most people. The chamber would have substantial staff support to provide initial training to newly selected sortition legislators, to organize a wide range of information services for the chamber, and to facilitate deliberation on proposed legislation.

for patterns of inequality based on citizenship, race/ethnicity, gender, and many other dimensions of group identity. Differences in collective bargaining power often lead to unfair and inefficient outcomes. While democratic institutions offer a means of negotiating better solutions, they currently seem inadequate to the task. Social science itself has yet to provide much assistance.

Yet social science theory and research suggest that a number of emerging institutional innovations could contribute to the development of a more collaborative, democratic and egalitarian society. Rather than putting democracy at the service of the market, we could

put the market at the service of democracy. The expansion of non-capitalist firms, including worker cooperatives, employee stock ownership, social enterprises, and other hybrids could contribute to the development of a “cooperative market economy.” Improved regulation of private enterprises—especially the financial sector—could protect the public interest. Progressive tax and transfer policies could reduce economic inequality. The public sector could improve, streamline, and expand the provision of health, education, and care services.

Some specific examples of these strategies include successful large-scale worker-owned businesses such as Mondragon, community-based credit unions, forms of co-management by owners and workers known as “economic bicameralism,” proposals for universal basic income and care services. Possible innovations in political decision-making include sortition legislatures (which, like juries, require the random participation of citizens) and participatory budgeting.

Social scientists don’t have all the answers. But the only way we will ever find them is by moving beyond the critique of existing institutions toward a more focused and inventive process of exploring new ones.

## 22 THE CONTRIBUTION OF THE SOCIAL SCIENCES TO POLICY AND INSTITUTIONAL CHANGE

This chapter engages the contributions of the social sciences to policy and institutional change. The first six sections of the chapter cover six policy domains: Economics; Education; Environmental Protection; Health Care; Development; and Science and Technology. A concluding section offers an overarching historical perspective on the societal role of the social sciences, and then outlines some critical challenges that must be met if the social sciences are, in the future, to function as a force for progress.

It would be absurd to aim here at a comprehensive accounting of the social science/policy nexus. However, in selecting six distinct and important policy domains, to be reviewed by the chapter, we have tried to achieve a coverage sufficiently wide that the emerging themes and lessons will not be seen as idiosyncratic to a particular area of policy choice.

Each of the six sections addresses the social science/policy nexus by addressing one or both of the following questions. First, how does social science help explain the process of policy development in the covered domain? (This first question takes policy and institutions as features of the social world that can be illuminated using the tools of social science.) Second, how has social science influenced policy development there?

### ECONOMICS AND THE FINANCIAL CRISIS

A decade before the great financial crisis of 2008 there was the Asian financial crisis of 1997. The debates which followed pitted proponents of setting markets free in cross-border capital flows against those who warned that such liberalization would lead to instability and crisis. A leading example of the critics is Joseph Stiglitz, who sees a direct link between his Nobel prize-winning research in the operation of markets with imperfect information, and a range of policy issues including capital controls.

But it seemed that the lessons of the crisis of 1997 were never learned, or were forgotten, as the financial boom of the early 2000s took hold, driven by the development of financial derivative instruments which had themselves been facilitated by financial regulatory policies in the 1980s, 1990s and 2000s. This led eventually to the deepest and broadest economic crisis since the Great Depression of the 1930s. Economic analysis was implicated in the development of the crisis and the policy responses to it.

Famously, the Queen of England asked economists why nobody had seen the crisis coming, and the British Academy (2009) responded with a letter which concluded as follows: "The failure was to see how collectively this added up to a series of interconnected imbalances over which no single authority had jurisdiction. Individual risks may rightly have been viewed as small, but the risk to the system as a whole was vast."

The response to the crisis reignited many of the debates of the 1930s on the use of monetary policy and fiscal policy. The Chairman of the United States Federal Reserve Board, Benjamin Bernanke, a renowned scholar of the Great Depression, used the monetary policy instruments at his disposal to shore up the economy, as did central banks around the world. But the failures came on the side of fiscal policy, where a modern version of the "Treasury View" that Keynes railed against seemed to prevail. Fears of the consequences of a high level of public debt were set against the Keynesian instinct to expand public expenditure at times of severe unemployment of labor and capital.

It is fair to say that the "Treasury View" won in the fiscal battle, leaving a more depressed global economy for longer than necessary. Policymakers appear not to have been responsive to addressing mismatches between large savings, especially in Asia, and great infrastructure needs the world over. The debate continues, and the interactions between economic analysis and economic policy remain as involved and as intricate as ever.



### DEVELOPMENT AND GOVERNANCE

Three distinct approaches vied for supremacy. The first two fit comfortably with prevailing currents of thinking in the Western development and aid communities. The third, as it turned out, less so.

The approach that posed the least threat to established ways of doing things was a focus on “building state capacity” through training, reform of organizational systems and the like. But intellectually it was the least defensible...

The second approach was especially well-aligned with the tenor of the times in the aftermath of the Cold War. This approach comprised the embrace of the notion that good governance was necessary for development... This translated seamlessly into an ambitious program of action which, especially in the aftermath of the Cold War, aligned well with prevailing conceptions of how polities and bureaucracies should be organized...

The third approach to integrating governance and development used the new openness to institutional analysis to call for “politically smart,” problem-driven approaches to development—to explicitly incorporate political and institutional constraints into the design and implementation of development policies...

It would be nice to be able to report that scholarly input has been helpful in resolving the contestation among these distinct approaches. But, as of this writing, this has not happened. Instead, each continues to operate in its own parallel universe: on the one hand, a sweeping, triumphalist, bracingly straightforward, and (at least for some) ideological comfortable set of prescriptions; on the other, an embrace of messiness, historical contingency, and an ongoing search for ways forward across a variety of distinct contexts.

With respect to this second question, two modes of influence might be delineated. One is direct. Social scientists transmit their research findings directly to policymakers, or indeed play an official role (as policymakers or civil servants) in governmental bodies or NGOs. A second, indirect mode of influence occurs in the elaboration of models and tools that help shape how policymakers think about their choices.

On balance, the reviews of the six policy areas vindicate the importance of social science to policy and institutional change, both in explaining these features of social systems, and in (directly or indirectly) influencing policy choices and institutional design.

What, now, are some key themes that emerge from the six sections? One concerns the role of markets. The “laissez faire” (or neo-liberal) view of good policy says that the fundamental goal of government should be to safeguard the conditions for a free market: strong property and contracts, robust competition in markets for goods and labor, all secured by an impartial judiciary. The laissez faire view is hotly contested, not merely between economics and other social sciences, but within economics itself. Many economists would endorse a “market failure” framework for policy design: policies should redress shortcomings in the free market. “Laissez faire” is, then, the position that market failures are infrequent. But are they? A debate about the scope and extent of market failures occurs in all the policy domains covered by this chapter.

A second theme is that a healthy social science may be characterized by substantial internal debate. This is true of the physical sciences, and it’s no less true of social sciences. There can be strong disagreement about which models best approximate social processes; about the appropriate methodologies for confirming, falsifying, or calibrating a given model; and about what current evidence suggests about the parameters of a given model. These familiar substantive and methodological debates within an academic community of social scientists then give rise to parallel disputes about appropriate governmental policy and institutions—when the learning of that community is deployed to give policy advice.



A third theme is the inevitable tension that arises when no accepted social-scientific model accounts for some of the policy-relevant mechanisms in the context at hand. The social scientist then faces a tradeoff—either (a) rely on the models, and thereby give advice that ignores some of the real-world factors that are actually in play; or (b) take account of those factors, via a more holistic approach to policy advice that uses the models only as a jumping-off point, and then be vulnerable to complaints that the advice is ad hoc and lacks firm scientific foundations.

A final theme is the recurrent question of inequality. Although global income and wealth inequality has declined in recent decades with economic growth in China, India, Africa, and elsewhere, income and wealth inequality within developed countries has increased. Within-country inequality is both politically destabilizing (as in the Trump election or Brexit), and intrinsically ethically problematic, at least to the extent that it can be redressed without shifting costs onto those who are globally less well off. How, then, should policy advice take account of inequality? A traditional view within economics counsels the separation of “efficiency” and “equity.” Supposedly, equity concerns can be handled by the tax-and-transfer system; policy advice in other areas can ignore equity considerations. However, this view is hotly disputed by other approaches in economics, and indeed cannot be sustained when we turn to specific policy domains such as education, environmental protection, or health and safety. Social scientists must, therefore, grapple with giving policy advice that takes account of distributional concerns, rather than seeing inequality as a separable problem that can be hived off to a specialized set of policy instruments.

As already mentioned, the last section discusses challenges going forward. Perhaps the key challenge is this. The influence of social science on policy formation often comes in a technocratic mode—by way of communications with government officials or civil servants, or the formation of their conceptual frameworks—and not in conversation with the electorate. Social scientists need to think carefully about how to enter democratic discourse—a discourse that is anything but calm, with electorates roiled by the real and perceived harms of globalization and of rapid technological change. Moreover, in working to craft

#### RETHINKING THE FUNCTION OF EXPERTISE

A growing number of people, including those in the middle-class, feel that they have been left behind. They voice their anger and frustration in giving support to populists and nationalistic movements in many countries and, increasingly, also across countries. The “disconnect” between the elites and those who claim to be “the people” has many unforeseen consequences. One is that it has led to a marked decline in the value attached to expertise—be it professional and scientific or simply observing the standards that prevailed in public argumentation. The decline in expertise goes far beyond the loss of trust in science which has been deplored for some time. It amounts to the devaluation of the main currency of modernization. It has far-reaching implications for policy advice everywhere. It transcends legitimate questions like “whose voice is being heard” or “whose evidence” is being evoked in public discussion of policies under contestation. It goes to the heart of the ways in which novel and still precarious forms of governance can be designed and experimented with. Without legitimacy, there can be no institution building and no institutionalization. The outright and wholesale denigration of expertise represents a serious threat to reshaping policies so that they can meet new challenges. While there is a growing realization that expertise is ubiquitous, time has come to rethink its role, especially in mediating between knowledge production and application taking context into account. Empirically, science has a limited function in providing reliable knowledge for practical political purposes. There is a recurrent need to embed the decision-making processes with stakeholders groups originating from outside science.



better policies, social scientists should also pay closer attention to the design of democratic institutions themselves. Explaining the workings of democracy, providing advice about how to craft participatory institutions, and taking part in public debate should be—even more than in the past—tasks that social scientists undertake.

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