Chapter 3

Global Governance vs. Regional Governance in Social Policy: The Social Policy of the EU

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ABSTRACT

Globalization, the much-debated phenomenon of the last decade, has affected the governance of policies. Social policy governance is one of the most affected notions of the globalization process. Context of debates on social policy governance has been transformed from state-centric analysis to the multi-centric analysis. The future of the social policy is highly linked to both global governance and regional governance. In this regard, the aim of this chapter is to draw attention to the multi-centric nature of the social policy governance and to form a framework for the effects of intergovernmental institutions on social policy governance and to discuss their weaknesses and strengths particularly regarding the United Nations, Bretton Woods institutions and the European Union.

INTRODUCTION

Social Policy is not an easy field to define. With the challenge of the globalization, defining and studying social policy has become harder. Globalization has changed actors who determine social policies’ directions and seek solutions to the social policy problems. As it has changed the context of social policies, it has also changed the definitions of governance determining which actors are included in the context of social policies. As intergovernmental institutions, the UN and Bretton Woods institutions have been at the center of global governance since the 1950s. However, “redefinition of global governance challenges the effectiveness and legitimacy of post-1945 global institutions” (Kahler, 2009, p. 176). Especially due to incapability of the legal enforcement of the global governance institutions over the states, a truly global governance goal is hard to be achieved.
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On the other side, states look for different forms of cooperation at the regional governance to solve problems. Specific to the EU member states, they have given up some of their competences and created a supranational order. This supranational order especially with its binding legal system has shaped social policies of the member states. European Court of Justice (ECJ) has been an influential actor on social policy issues. In line with these developments, the EU social policy has extended and differentiated in time.

The aim of this chapter is to compare the global governance and the regional governance in terms of social policy via focusing on international intergovernmental organizations and the EU. For this aim, this chapter begins with a brief overview of literature on social policy and governance. After that, it explores development of global and regional social policy governance through the United Nations, Bretton Woods institutions and the EU. Concluding section discusses the future direction of the EU social policy and whether it is necessary to reform global governance institutions or not. The conclusion of this chapter shows the weaknesses of global social governance institutions when they are compared with regional governance institutions in social policy and the EU’s influential role on the reform of global social governance.

BACKGROUND

Strong versions of the globalization claim that states borders get obsolete. “The nation state is no longer an appropriate unit of analysis or agent of governance because economic activity in the global economy no longer coincides with political or cultural boundary lines” (Ohmae, 1995). The only role for governments is to become market states (Bobbitt, 2002) and facilitate the globalization of their national economies. The second perspective of globalization argues that “the new global economy has regional and national foundations” (Zysman, 1996). Nation state conserves its vital importance. The political response of states to globalization is to build new structures. The emerging economic geography is rather regional than global, and a distinctive aspect of the emerging world order is the creation of regional projects (NAFTA in the Americas, the EU in Europe and ASEAN in Southeast Asia).

Interrelated with globalization process, several authors discuss the importance of regional governance in the development of global social policy (Deacon, 1997; Yeates, 2001; Threlfall, 2002; O’Brien, 2000; Yeates & Irving, 2005). In 1997 Bob Deacon and his colleagues published “Global Social Policy”. It was the first book using ‘global social policy’ term (Deacon et al., 1997). Since 2000, “Global Social Policy Journal” has been publishing several articles about the global and regional dimensions of social policy. In 2000, Robert O’Brien and his colleagues published “Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements” to elaborate the relation between interstate economic institutions such as IMF, World Bank, the WTO and non-elite majority of the World’s population (O’Brien, 2000).

All of these studies address issue of social policy governance and explore the relationship between globalization, social policy, global and regional governance. This chapter also provides a detailed analysis of global and regional social policy governance actors such as the UN, Bretton Woods institutions and the EU. The main aim of this chapter is to reveal difficulties to develop truly global social policy governance and to shed light on global social problems by looking for alternative solutions.