

Civil Society Organizations as Key Actors in Uruguay's Social System

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Summary

In Uruguay, civil society has supported the development of social programs that have drastically improved living conditions for the most vulnerable. It is essential to keep NGOs integrated within the governing structures of MIDES (Ministry for Social Development) regardless of government change. Only an engaged civil society can strengthen accountability and responsiveness in social policy.

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Civil Society and the Ministry of Social Development in Uruguay

Due to irregularities emerging in mid-May, the new authorities appointed to direct Uruguay's Ministry of Social Development (MIDES) have announced that they will no longer be collaborating with civil society organizations, social movements or citizen representatives within the Ministry. This announcement follows a number of inquiries into the Ministry's bookkeeping and implementation of social programs, initiated by the newly elected

government under the Presidency of National Party's Luis Lacalle Pou (*Partido Nacional*), who took office in March, thus ending the three consecutive presidential cycles of the Broad Front (*Frente Ampilo*) from 2005 to 2020.

The argument behind the new Minister's position rests on the advent of a series of irregularities in the implementation of several social programs. The corruption accusation against former authorities and involved NGOs refers primarily to a total of 28 homes that belong to the Disabled Peoples' Housing program and are currently under different use. Additionally, the new government claims that some UY\$ 10 million – around EUR 200,000 – are missing in pending transfers from civil society organizations, intended to be used for safe house rentals for homeless people, which the MIDES had deposited beforehand on their behalf but the organizations have not paid back. But both MIDES's new General director Nicolas Martinelli and the Ministry's Sub-Secretary Armando Castaingdebat had announced even earlier on their intention to remove NGOs participating in the Uruguay Works (*Uruguay Trabaja*) unemployment support plan, before the program was involved in the scandal at all (in this case, through some UY\$ 4 million – EUR 80,000 – in debt to the country's Social Security Bank).

As can be expected from a functional democracy such as Uruguay's, internal investigations are underway to clarify irregularities, and legal proceedings are to be initiated where due. But the new authorities have announced much harsher measures, going as far as to remove all civil society representatives from the MIDES and its running social programs, and to ban any further collaboration with NGOs and social movements for the duration of the current

presidential period (2020-2025).

Such an escalated response is a dangerous move that threatens the established participatory mechanisms in social policy management, and is a hard hit to Uruguay's well-developed linkages to an active and engaged civil society, which have contributed greatly to a more responsive and transparent social governance in the past. The elimination of civil society participation in the Ministry of Social Development can further have two very concrete negative effects:

First, civil society has played a major role in social policy reform in the previous years, past and has established links to communities across the country. These organizations represent a direct communication channel between target groups of social programs, and thus ensure that responses from the government are, in fact, responsive: in other words, that governmental measures are appropriate to the needs and demands of those who benefit from them. Removing those channels implies disrupting state-community linkages and distancing the government from the most vulnerable, impeding their voices to reach decision-makers in essential matters that directly affect them.

Second, the embeddedness of civil society organizations within MIDES isn't only a tool for governments to develop more effective policies, they also exert oversight upon representatives and public servants to ensure that they are fulfilling their public duties. Removing civil society from the Ministry is a hit to accountability and transparency, which are critical aspects for democratic legitimacy and citizen satisfaction with institutions.

Uruguay's participatory governance and the looming pandemic crisis

Uruguay is an outstanding example of political stability and democratic quality in the Latin American region. The country has an established and institutionalized party system, along with consistent high scores in civil rights indices and measurements of the quality of democracy. Its political institutions are deemed trustworthy by its citizens, and rates of satisfaction with democracy have been comparable to those of developed countries in the Global North (Latinobarómetro, 2018; EIU Democracy Index, 2019). This can be explained partly due to the lowest poverty and inequality coefficients in the region: the poverty rate dropped from 32,5% to 8,1% between 2006 and 2018, while extreme poverty decreased from 2,5% to 0,1% over the same period (UMAD-FCS-UdelaR, 2020).

These positive results embodied the efforts the extensive social policy reforms undertaken during the three Broad Front presidential mandates between 2005 and 2020. The Broad Front governments pursued a comprehensive strategy of advancing universalistic coverage and focalized social policy, achieving up to 90% retirement coverage for the population over 65 years and virtually reaching full health coverage after the extensive public health reform following the creation of the Integrated National Health System (SNIS) (World Bank, 2020). The very creation of MIDES was in fact part of this strategy, and these achievements were only possible thanks to a widely participatory strategy that allowed civil society organizations, private stakeholders and social movements to intervene at length in the reform of social policy

schemes. Citizen participation served as a key driver of advances, especially regarding the health system reform, workers' salaries councils, occupational programs for the unemployed, and women's rights.

Uruguay has slowly begun to soften social distancing measures to contain the spread of the COVID-19 pandemic. Due to its small population and early adoption of containment measures, it hasn't been as harshly affected by the pandemic as other countries in the region, such as the dramatic case of neighboring Brazil. However, the economic impact of the pandemic will be severe for a country that largely depends on exports to Chile, China and the EU, and imports from Brazil and Argentina. Additionally, the income sources of many Uruguayans depend directly on tourists from neighboring countries, which was reduced drastically already last season due to Argentina's economic and Brazil's political crises. The effects of the pandemic in the region are thus expected to indirectly but greatly impact Uruguay's economy. Finally, as in many crises, vulnerable social groups will be the first and most affected. These groups are the same that currently rely on social protection, and often on direct benefits from social programs, for survival.

The representation of civil society through different mechanisms has proven key in the past to correctly identify social needs: through the incorporation of citizen representatives in councils and boards within the MIDES, the conduction of negotiation and concertation dialogues, or the delegation of the delivery of goods and services to NGOs working on the ground who assist disadvantaged communities. They offer a channel for those most vulnerable

and underrepresented in government offices to voice their concerns and their demands. It is thus the least ideal time to remove civil society representatives from the Ministry of Social Development - the state structure with the most important role in coordinating responses to the country's most pressing social needs.

Outlook and Recommendations

Well-established research in participatory social policy has shown the many advantages of including civil society representatives within state structures, both in the decision-making process and design of policies as well as in the implementation and evaluation stages of social programs. In Uruguay, their effectiveness has proven key to radically change living conditions for many disadvantaged groups. It is therefore recommended that participatory structures are kept in place despite recent indications of corruption and misuse of public funds, so long as these have not been properly proven in court, and through different measures that can guarantee transparency and accountability in their operations:

- 1) In order to ensure *responsive social policies*, civil society organizations should be kept as essential collaborators within the MIDES. Their contributions will be of particular relevance in closely monitoring the impact of the COVID-19 pandemic and the looming crises affecting the country's most vulnerable groups, such as disabled persons, the homeless and the unemployed, women and victims of violence, and the rural poor.
- 2) The social programs affected by the recent corruption accusations should continue

to operate until they can be properly restructured, and only after proper legal proceedings have been conducted to prove the accusations. It should be expected that measures are undertaken to regain control over state resources that have been misplaced or misused, but all other operative elements of these programs should be continued, as they provide essential relief to vulnerable groups. Specifically,

- a. the Disabled Persons' Housing Program, that offers tutored and monitored housing for disabled people,
 - b. the Safe Houses Program, aimed at sheltering the homeless,
 - c. the Uruguay Works Program, supporting the unemployed through education and incorporation in the labor market.
- 3) An additional measure can be incorporated to improve accountability in the appointment of citizen representatives: an open call for participation to civil society organizations that don't have a preexisting cooperation agreement with MIDES or who haven't been involved in the implementation of MIDES programs during the previous presidential periods (2005-2020). This group of civil society organizations could co-manage the existing participatory implementation schemes with NGOs and civil society representatives, as long as they haven't been proven responsible for the ongoing allegations of misuse of public funds.

These new measures can help to assure that the new authorities have a transparent selection process while keeping in place the participatory structures that have contributed to the ongoing fight against poverty and inequality in Uruguay.

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