

A NEW AGENDA FOR
SOCIAL DEVELOPMENT:

Social

Recommendações para o
1995 World Summit on
Social Development

Summit

Report on an ODC Conference

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A NEW AGENDA FOR SOCIAL DEVELOPMENT:

Recommendations for the 1995 World Summit on Social Development

Timothy A. Johnston

Fundação Cuidar o Futuro

Nicole Melcher

Report on an ODC Conference

Princeton, New Jersey

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Foreword

Although many nations have achieved substantial economic and social progress in the past decades, there is growing concern worldwide that the social fabric of many societies is fraying. In Bosnia, Haiti, Rwanda, and Somalia, ethnic tensions and other social cleavages have led to wars and social collapse. The costs of peacekeeping and emergency humanitarian relief in these crisis have been tremendous and are beginning to threaten long-term development resources needed to prevent such crises. In many other nations, silent crises are also brewing. Over a billion people still live in poverty; many in both developed and developing countries have difficulty finding productive and meaningful employment; many societies are being torn by the forces of modernization, deprivation, and ethnic cleavages. The world can no longer afford to wait to respond to human disasters.

The World Summit for Social Development (WSSD) presents a unique opportunity for the nations of the world to respond to urgent human and social concerns. The "Social Summit" will be the fifth of six U.N. conferences convened in the 1990s to forge linkages among previously distinct international policy arenas. In 1990 the World Summit for Children integrated and consolidated goals in health, education, nutrition, and family planning with children's welfare. The 1992 United Nations Conference on Environment and Development advanced a broad agenda for integrating environmental concerns into all areas of economic development. The World Conference on Human Rights in 1993 reaffirmed human rights principles and recognized the interdependence among democracy, development, and human rights. It also took historic steps to promote and protect rights of women, children, and indigenous peoples. The International Conference on Population and Development in September 1994 will emphasize the inseparability of population policy and development policy and women's health and empowerment. The Fourth World Conference on Women in September 1995 will illuminate the importance of women's empowerment for peace, equality, and development. The Social Summit—to be held in Copenhagen in March 1995—will bring together heads of state and government for the first time to call for coordinated actions on the related challenges of poverty alleviation, employment generation, and social integration, as well as for greater coherence between economic and social policy. The Summit's agenda is urgent. Yet, with only six months remaining before the conference, it is still ill-defined.

To assist in preparations for the Social Summit, the Overseas Development Council (ODC) convened a meeting in Princeton, New Jersey, from June 24-26, 1994. The meeting, which was supported by The Ford

Foundation, the U.N. Development Programme, and the Charles Stewart Mott Foundation, brought together individuals from around the world from governmental bodies, multilateral institutions, and non-governmental organizations (NGOs) who have substantial knowledge of one or more of the Summit's priority concerns. (A full list of participants is included on the front inside cover of this report.)

The purpose of this meeting was twofold:

- to clarify and seek consensus, if possible, regarding the agenda for the Social Summit; and
- to suggest a set of priority goals for the WSSD Programme of Action, along with recommending promising strategies for achieving these goals.

This report reflects the proceedings of the meeting. Participants were invited to comment on an initial draft, but this is not a consensus document. Instead, the report attempts to identify areas of disagreement as well as consensus.

The Social Summit agenda and action plan must become more focused and concrete. Although the Princeton meeting was unable to achieve fully such a focus in two days, a number of priorities were identified.

The lack of attention to, and preparation for, the Social Summit is incompatible with its urgent and wide-ranging agenda. Local, national, and international NGOs, religious organizations, women's groups, labor organizations, and business must play an active role in focusing public and governmental attention prior to the Summit, and in ensuring that governments comply with commitments they make at the Summit. Greater efforts are also required to generate coverage of the Summit and its agenda among the national and international media.

The WSSD's second Preparatory Committee meeting in August 1994 will be critical in framing the agenda for the conference and beginning to establish priority actions for the Summit and institutional priorities before and after Copenhagen. We hope the Princeton meeting and this report will assist the WSSD Secretariat in its planning, help organize the response of both governments and NGOs to the Social Summit, and stimulate debate during the August Preparatory Committee meeting.

John W. Sewell
President, ODC
August 1994

Summary of Recommendations

The U.N. World Summit for Social Development (WSSD), which will be held in Copenhagen, Denmark, in March 1995, will bring together heads of state to coordinate actions to reduce poverty, generate employment, and increase social integration. The fifth of six U.N. conferences convened in the 1990s on subjects including children's welfare, environment, human rights, population, and women, the WSSD, or "Social Summit," is the only U.N. conference focusing specifically on social development and is, therefore, of critical importance to developing and developed countries alike.

To advance and focus the debate prior to and during the Social Summit, the Overseas Development Council (ODC) convened a meeting in June 1994 of key policymakers, academics, and nongovernmental organizations from around the world concerned with Summit preparations. Although no complete consensus was reached, several major recommendations for the Summit's Declaration and Programme of Action emerged at the ODC meeting.

Forge a Vision for Social Development Progress

The Social Summit Declaration should reflect the widest possible international consensus on an explicit vision of social development, followed in the Programme of Action with specific recommendations for international action and cooperation to achieve the vision. The principles that should guide such a vision include an affirmation that people are the ends—not the means—of economic progress and development, as well as a commitment to human rights, gender equity, an end to all forms of discrimination, the enhancement of the environment, and the eradication of poverty.

Increase Productive Capacities and Opportunities

Governments and international institutions must give greater emphasis to increasing productive capacities and opportunities of people—particularly poor people and women—through the provision of education and training, basic health and

reproductive services, clean water and sanitation, as well as improved access to credit and productive assets. Social safety nets are still necessary but must be redesigned to encourage productive employment. Increased attention and support also should be given to those engaged in non-monetary investments in people such as nurturing and caretaking.

Adopt a Global Compact on Poverty

A global compact on poverty should commit to new targets for poverty alleviation, calling for each country to significantly reduce poverty, and, in particular, absolute poverty, within a specified time period. In addition, a compact should reaffirm existing, internationally agreed social targets in areas including health, education, and nutrition, as well as conventions on human rights and nondiscrimination.

Strengthen Civil Society

A strong civil society provides an important foundation for achieving social progress. Governments should be encouraged to create an enabling environment for civic organizations by establishing legislation and incentives for the formation of such organizations; eliminating any current legislative, administrative, and procedural barriers to the functioning of civic organizations; and providing mechanisms to fund their activities including implementation of social sector programs. Donor agencies should strengthen efforts to provide financial and technical assistance to these organizations and cooperate with them fully at every stage of the development process.

Promote Social, Economic, and Gender Equity

All forms of discrimination are unjust and can undermine economic growth, deepen poverty, and lead to violence and social upheaval. Women, ethnic and racial minorities, and other groups who are marginalized or suffer from discrimination must be empowered through human investments

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and increased access to productive opportunities. Barriers against their full participation in society must be eliminated.

Foster Equitable Economic Growth

Both developed and developing nations should implement policies that foster equitable economic growth, both nationally and globally, which is necessary for both creating jobs and eliminating poverty. Economic development strategies should include employment generation as a key goal. Special attention must be given to policies and reforms necessary to generate equitable growth in the poorest countries, particularly in Sub-Saharan Africa. Developing countries should be given greater access to industrial-country markets to reduce dependence on aid.

Reform International Institutions

The Social Summit should establish procedures to reform the four pillars of the international system—including the United Nations, International Monetary Fund, World Bank, and General Agreement on Tariffs and Trade/World Trade Organization—to increase efficiency, open-

ness, coordination, and effectiveness in fostering social equity and sustainable development. Also, international institutions should strengthen data collection and statistical systems to support countries in monitoring the social development progress of donors, multilateral institutions, and governments.

Examine Options for Financing Social Development

Leaders at the Social Summit should agree on the principle of reprogramming both domestic and international expenditures toward social programs and should initiate partnerships for social development between willing recipients and donors to ensure ownership of programs by recipients. The “20:20” compact, which would require developing countries and donors to provide a minimum of 20 percent of their budgets for human priority concerns, should be further clarified and considered as a possible means to this end.

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Discussion/Summary

Introduction

The World Summit for Social Development (WSSD) embraces three “core” issues that are vital to the social well-being of rich and poor nations and people everywhere: poverty alleviation, employment generation, and social integration. The Social Summit marks the fifth in a series of six United Nations conferences in the 1990s leading up to the 50th anniversary of the world body.

Although connected to the U.N. conferences preceding and following it, the Social Summit will be the only global forum to consider collectively solutions to the growing challenges of social development that are at the heart of the concerns of almost all political leaders in developed and developing countries—particularly those who lead democratically elected governments. The Summit presents an important opportunity to assess the progress of governments and international institutions in promoting human development and to chart a course for the coming decade.

The Social Summit is currently facing significant difficulties in its preparations. Its agenda is diffuse; neither governments nor nongovernmental organizations (NGOs) are certain what the conference is really about. Moreover, in contrast to other U.N. conferences, the Social Summit lacks a natural constituency, contributing to the low visibility and priority currently accorded to the Summit by both governments and NGOs. A second difficulty stems from the widespread loss of confidence in institutions, both at the national and international levels, leading to skepticism about the usefulness of convening such a conference. With six major international conferences occurring in a five-year period, a feeling of “conference fatigue” may also have dampened enthusiasm for the WSSD. Finally, the Social Summit faces significant political challenges. Although on the surface widespread agreement may seem to exist on the need to address social development challenges, most of these issues are highly charged politically and involve powerful and competing interests locally, nationally, and internationally.

Nonetheless, the Social Summit has the potential to serve as a catalyst for renewed and integrated efforts to promote social development for several

reasons. First, the three issues on the agenda—poverty alleviation, employment generation, and social integration—are central concerns of both the developed and developing countries. Common ground therefore exists for mutually beneficial actions that transcend the division between North and South.

Second, a strong consensus has emerged among development experts and NGOs that social development progress and economic progress are mutually reinforcing: social development helps reduce economic inequalities and bolsters economic growth; equitable growth creates jobs and reduces poverty. These mutual gains between social and economic development have become known as the “virtuous circle.” In addition, economic growth in the South now has major benefits for the North, and vice versa, forming yet another virtuous circle.

Finally, the collapse of communism and growing dissatisfaction with the excesses of market capitalism in much of the world have led to calls for a renewed social contract among people, their governments, and international institutions. In developed countries, social welfare programs are being criticized as perpetuating poverty and undermining individual initiative, with efforts under way to transform social welfare programs to reward savings and initiative. A unique opportunity therefore exists to share lessons and develop new approaches to social development and human security.

What Might the Summit Achieve?

The participants assembled at Princeton agreed that a successful Social Summit would achieve agreement by heads of state on a few key actions. A range of important opportunities were identified for the Social Summit and the world community:

- Establish poverty-reduction targets and reaffirm commitments to the social development goals that have been agreed to by governments in recent years;
- Integrate and consolidate issues and goals from recent U.N. conferences and emphasize common themes, particularly issues of gender equity and empowerment;

The Social Summit should seek international consensus on an explicit vision of social development endorsed by all countries.

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- Highlight the need for governments and institutions to further integrate social development concerns into policymaking—particularly economic and trade policy—as well as improve coordination among and effectiveness of relevant national and international agencies;
- Strengthen data collection, statistical systems, and policy analysis of the United Nations on social development priorities to guide action and monitoring, particularly at the national level;
- Set targets for national public spending on social development priorities, including the establishment of various types of “compacts” for social development between donors and governments; and
- Agree on procedures to reform the international development institutions.

A Vision for Social Development

Participants in the Princeton meeting agreed that the Social Summit should seek international consensus on an explicit vision of social development endorsed by all countries. Such a vision could form a standard to which governments and institutions could be held accountable. The Summit can play an important role in reasserting the human and social concerns that seem to have been absent from recent development debates. The discussions and resulting documents should also emphasize the practical reasons for making social development a priority. Although acknowledging the difficulties facing humanity, the vision statement should be hopeful, reflecting progress and successes to date and offering a positive direction for the future. The statement should also be concise, so that it can be assimilated easily and transmitted by governments and citizens groups following the Social Summit.

The Princeton participants identified a number of elements that a vision statement should contain:

- A renewed commitment to the protection of human rights and the advancement of gender equity, social equity, justice, ecological security, and human solidarity;
- An ethical and practical commitment to development that brings with it poverty eradication, employment, and social cohesion;
- A recognition that poverty, employment, and social integration are universal concerns and

that national and international actions to deal with them are in societies’ common interests; and

- An explicit recognition that social development brings economic benefits (in terms of both prevention and payoffs).

The Core Agenda: Poverty, Employment, and Social Integration

The three topics on the Summit agenda—poverty alleviation, employment generation, and social integration—are important in and of themselves. Yet they are linked both causally and in terms of the policies and actions that affect them. Participants in the Princeton meeting were asked to discuss and clarify concerns and priorities for the core issues individually, and also to consider cross-cutting issues that linked all three. These discussions are summarized below.

Poverty Alleviation

Participants felt strongly that increased efforts for the alleviation and eventual eradication of poverty, particularly absolute poverty, are a national and international imperative. They further argued that poverty is the link linking the Summit’s three core issues: poverty cannot be reduced on a sustainable basis without broad-based employment growth and is also a factor in social disintegration. Specific goals and targets for poverty reduction should therefore be central to the Summit’s Programme of Action. A number of participants argued that the eradication—not just alleviation—of absolute poverty must be the ultimate goal of these efforts. Each country should establish clear and realistic requirements for the minimum standard of living acceptable in their societies and convince their publics that such standards are achievable, as well as practically and morally imperative.

Participants were divided on whether the poverty target should focus on reduction of the share of the population in each country living in absolute poverty; reduction of relative poverty (that is, the share of the population in a country with income below the poverty line); or achievement of some specified human development goals such as universal primary education, primary health care, and basic water and sanitation services.

The persistence of extreme poverty was seen as due primarily to political failure at the national and international level, not a lack of knowledge

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or understanding of the problem. A possible exception is that in some of the poorest countries, particularly Sub-Saharan Africa, strategies to achieve the sustained economic growth necessary for widespread poverty alleviation remain to be identified.

Some participants argued that poverty should be the primary focus of the Social Summit. Poverty eradication requires generating incomes for the poor. While transfer programs may be needed for some groups of poor for some periods of time, the emphasis must be on economic growth biased in favor of the poor. Employment and growth are thus means to the end of eradicating poverty. Most participants felt, however, that a focus on poverty alone would leave out important issues that should be discussed at the Summit, particularly violence and ethnic conflict.

Poverty reduction or eradication efforts must focus on increasing the productive capacity of and opportunities for poor people. Poverty will not be solved by income transfers alone; poverty alleviation efforts have often reinforced top-down approaches that fail to empower poor people. Participants emphasized the importance of investments in education and training, increased access to productive assets, improved management of natural resources, measures to empower poor people through the establishment of people's organizations, and strengthened legal services, education, and training. Poverty eradication efforts must support, not compromise, human dignity and the social integrity of communities.

The common concern with employment in both North and South creates opportunities for joint action and collaboration.

Economic and political arrangements that create and perpetuate poverty must be abolished. Governments and the international community must also make greater efforts to protect grassroots advocates for the poor, who continue to be targets of political intimidation and violence in many countries.

The Social Summit should build on and reinforce goals for health, nutrition, family planning, water and sanitation, and education already agreed in earlier conferences and now embodied in national programs of action in 93 countries. The Summit should take account of progress toward these goals and identify further actions needed to ensure and accelerate their achievement, especially in the poorest and least developed countries.

An increasingly economically and socially marginalized economic underclass—composed disproportionately of ethnic minorities—constitutes the majority of the poor in developed countries. A number of Northern countries are trying to shift

the focus of social welfare programs away from entitlements and toward increasing poor people's access to jobs and training. Yet discrimination, limited educational opportunities, and shrinking demand for low-skilled labor all constitute barriers to breaking out of poverty and the public-assistance cycle. Although similarities exist between poverty in North and South, the challenges presented to the state by a marginalized underclass in a welfare state are distinct from those facing a country where a significant percentage of the population lives in poverty without social safety nets.

Employment Generation

Unemployment and underemployment are important causes of poverty. They exacerbate social and ethnic tensions and can lead to political instability. Discussions of employment revealed a strong consensus that youth and women's employment were major concerns worldwide, as well as long-term structural unemployment. The problem of "jobless growth" in economies was also cited by participants from both North and South. Participants felt that the Social Summit could make a major contribution by exploring means to ensure that economic growth creates productive employment. Accelerated growth was identified as essential to employment creation nationally and internationally. This would require improved international economic policy coordination and a reexamination of the potential effects of inflation in each country.

Employment creation alone is not enough; jobs should offer adequate remuneration, human dignity, and personal satisfaction. Participants were in broad agreement that in spite of the tremendous importance of remunerative and meaningful employment to individuals, families, and societies, employment is not being coherently addressed by governments and international institutions.

Many developing-country governments once took a major role in direct employment creation, but they often proved to be inefficient job creators. Adjustment programs have required governments to eliminate excess civil service jobs and cut public works programs throughout the developing world. Participants therefore called for an emphasis on increasing the capacities and opportunities of workers for productive employment, rather than job creation per se.

Overall, participants felt that less was known about sustainable employment creation than poverty reduction. The Social Summit could help consolidate current knowledge and encourage

further research and action. A variety of interlocking policies and actions are clearly necessary, including in the areas of education and training, fiscal and monetary policy, and social welfare arrangements. The International Labor Organization (ILO) has already produced a number of useful policy papers and could take the lead in Summit preparations and follow up on this issue. Several participants emphasized the importance of further integration of employment concerns into economic and social policy, as well as greater coordination among ministries and agencies responsible for various aspects of economic, labor, and social policy, both nationally and internationally.

The economies of both North and South are now linked by trade, which both creates and eliminates jobs. The common concern with employment in both North and South creates opportunities for joint action and collaboration, but many Southern representatives expressed concern that Northern countries not use the Social Summit initiatives in this area to justify protectionist trade policies that harm the South. The new World Trade Organization (WTO) could play a constructive role in mediating Northern and Southern concerns regarding job creation and loss, as well as integrating social development priorities into trade discussions.

Social Integration

In contrast to poverty and employment, the international community has little experience dealing directly with social integration issues. The Social Summit is the first high-level international forum in which it will be taken up directly. Although many felt the term “social integration” lacked a clear definition, there was widespread agreement that it encompasses a wide range of important issues. Many defined it as the opposite of “social exclusion” or “social disintegration,” including exclusion due to lack of equal opportunities and unequal distribution of assets, as well as respect for racial and cultural diversity.

A number of participants suggested that violence—within households, neighborhoods, countries, and among countries—is a fundamental manifestation of social disintegration and should be highlighted on the Social Summit agenda. Some forms of economic development have proven socially disruptive, and the globalization of information and technology, along with the increasing mobility of capital and labor, has weakened traditional family structures and undermined valuable cultural norms.

The recent ethnic violence in Bosnia, Somalia, and Rwanda were often cited as extreme examples of social disintegration, highlighting the potential destructiveness of the ethnic and racial tensions simmering in many societies. Ethnic and racial minorities are discriminated against in access to jobs and public services in many developed and developing countries. Confronting the problems of economically or socially marginalized groups and discrimination based on race, ethnicity, gender, age, or disability were also major concerns.

Largely because it is a new issue, few at Princeton were able to formulate targets or programs for social integration. Strengthening institutions of civil society was strongly endorsed as an important objective for both governments and international organizations, including a greater willingness of governments and international institutions to consult and collaborate with civic organizations. Since it is a new item on the international agenda, the focus might be more useful on supporting data collection and researching the processes of social integration and disintegration and their linkages with economic and political processes. Progress in addressing poverty and unemployment is certainly necessary to bolster social integration but is not sufficient.

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Cross-Cutting Issues on the Social Development Agenda

The purpose of the Social Summit is to give greater priority to the social development agenda and to highlight the interrelationships among the issues of poverty, employment, and social integration, including the need to work on all three simultaneously. In addition, its work program should encompass a number of “cross-cutting” issues that are important to each.

Civil Society

Strong institutions for civil societies are needed for progress in all three core issues of the Social Summit. A vigorous and independent civil society also is of fundamental importance for sustaining democratic institutions. Religious institutions and NGOs play a critical role as creators and sustainers of social values and help to keep governments accountable. NGOs are often more effective than governments or donors in reaching poor people and managing natural resources. Civic organizations can bring people together and help diffuse social tensions and cleavages within countries (although they can also do just the opposite). Political parties can play constructive roles in

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community organization and serve as checks on governments in power. Businesses have a critical responsibility in creating employment and balancing government power. With proper encouragement, they can play a constructive philanthropic role in societies.

In spite of an increase in rhetoric endorsing the importance of civil society, in many countries, a variety of laws and restrictions hinder the growth and independence of civic institutions.

Governments must first create an enabling environment for civil society, including reducing legal restrictions on NGOs and modifying tax codes to encourage the development of an independent sector. Both governments and multilateral institutions must also increase their efforts to collaborate with civic organizations in development efforts, not only in project implementation, but also in identifying development priorities. Greater efforts should also be made to harness the considerable private wealth that exists in most developing countries and encourage its being directed toward social development ends. In some developing countries, private philanthropic organizations mobilize resources and play a major role in supporting cost-effective charitable services. Several recent efforts to establish indigenous philanthropic foundations in developing countries were cited as particularly promising moves to exploit this potential, as well.

Gender Equity

Gender concerns were seen to pervade all of the issues on the agenda for the Social Summit. Participants spoke forcefully that poverty, employment, and social integration are fundamental concerns to women everywhere. Women constitute a disproportionate number of the poor, are often faced with restricted employment opportunities, and carry primary responsibility for maintaining cohesion within families and societies, while bearing the brunt of the consequences when social order breaks down. Domestic violence against women was cited as one key concern that should be on the agenda for the Summit. Empowerment of women was seen as an important end in itself, as well as an essential strategy for dealing with poverty, employment, and social integration concerns.

One of the most fundamental issues of social and human development is that little support is provided to those who nurture. Women act as caretakers of both young and old, yet have been increasingly compelled by economic circumstances to seek wage employment. Societies and

governments have yet to recognize and address the multiple roles and responsibilities of women as both caretakers and wage earners. Women need improved child care as well as increased provisions for flexible work. Efforts to reduce the household burdens on women, such as the provision of clean drinking water, are important in developing countries. Legal efforts to remove restrictions against women's access to productive assets, along with improved education and training, are also essential to women's empowerment.

Equity

The chasm between rich and poor both has grown between and among many nations in both North and South and continues to grow. Poverty in the midst of plenty fosters frustrated aspirations and despair among the "have nots" and is a fundamental cause of social tensions and crime. Many of the benefits of economic growth in the past decade have accrued to the wealthy; in Northern countries, real wages for skilled workers have risen, while for unskilled workers they have fallen or stagnated. Because of the increasing sophistication with which wealthy individuals have learned to hide their earnings, the actual gaps between rich and poor may be even greater than expressed in current statistics. Economic reforms in the formerly socialist economies have tended to exacerbate inequalities. The benefits of development projects aimed at the poor are often captured by local and national elites. Yet governments and development institutions have been slow to recognize equity as an explicit objective for policy action because of the politically charged nature of the issue.

Aside from the moral repugnance of extreme wealth existing alongside extreme poverty, a strong consensus is developing that economic equity is compatible with and perhaps conducive to long-term sustainable growth. East Asian countries stand out as unique cases where there has often been rapid growth with declining income and social inequalities. Although higher education commands disproportionate resources in many developing countries, widespread literacy and universal primary education (among both women and men) are increasingly acknowledged as fundamental to sustained development. In addition, public health specialists have learned that unequal distribution of health and sanitation services is a threat to overall public health and a drain on the public purse.

Equity is not just a matter of income. In many countries, the poor have unequal access to legal

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and financial services, land and other productive assets, as well as health and sanitation services. Government spending often favors the wealthy and middle class. More equitable tax structures, improved distribution of governmental and financial services, and, in some cases, asset reallocation are a practical and moral imperative.

Structural Adjustment

Structural adjustment provoked some of the most heated debate among the Princeton participants. Most agreed that economic reform in developing countries and Eastern Europe and the former Soviet Union is absolutely necessary; but many also argued that these reforms have exacted huge social costs. In spite of attempts in recent years to mitigate the social impact of adjustment, particularly on the poor, adjustment policies were still seen as implemented without sufficient sensitivity to social consequences. Yet the lack of adjustment has its most severe consequences on the poor, particularly through high inflation and economic stagnation, leading to a loss of jobs.

Participants felt the Social Summit could help move the adjustment debate forward in both the technical and political realms. Widespread disagreements still exist as to how to design adjustment programs such that they achieve their macroeconomic goals while minimizing social costs. The optimal timing and sequencing of adjustment measures are still insufficiently understood, as is how to best undertake adjustment in countries with poorly developed private markets. Widespread concern still exists about the effect of adjustment measures on poverty, yet recent analysis has not found conclusive evidence that poor people are most affected (although local NGOs have disputed this conclusion). Adjustment policies tend to be recessionary, and many of the poorest countries, particularly in Africa, have been “adjusting” for nearly a decade with few prospects in sight for resumed growth. Only six African countries were cited in a recent World Bank study as having implemented reform packages, and even these were experiencing only minor gains in per capita income.

Structural adjustment, in addition to the social costs of adjustment in particular, is a highly political issue throughout the developing world. Structural adjustment is clearly perceived in many developing countries to be insensitive to human needs and responsible for increased poverty, unemployment, and social tensions. The programs are often seen as an outside imposition by international financial institutions (IFIs) designed

with greater concern for maintaining debt service payments to commercial banks and IFIs than with the well-being of the people in the country (although the IFIs deny such a preference). Developing country governments and publics must feel increased “ownership” of adjustment programs, particularly through greater involvement in their design, and must be convinced that they will benefit in the long term from such policies.

The Social Summit could play a valuable role in highlighting how to make adjustment socially sensitive and politically acceptable. Some participants called for bolstered research efforts and perhaps an independent high-level commission to consider more socially sensitive approaches to adjustment. Strengthened institutional capacity within developing-country governments could allow them to take a stronger role in the design of adjustment packages. The United Nations should also play a stronger role in providing advice on building national capacity to design and implement adjustment efforts. Finally, Northern country governments—which still dominate the global economy—must take greater responsibility for the effect of their macroeconomic and trade policies on developing countries, which have considerable bearing on the success of adjustment.

Global Macroeconomic Policies

Participants recognized a need for broad-based, sustainable global economic growth as a necessary—though not sufficient—condition for sustained employment creation and poverty reduction. Growth in the North benefits the South, and vice versa. No simple policies can be prescribed to stimulate growth in both North and South, but the point was made that social development and economic growth are mutually reinforcing. Social development forms the foundation for sustained growth, which can allow for further improvements in social welfare. Governments and multilateral institutions should make greater efforts to seek growth policies that benefit the largest number of countries in both North and South.

Global economic trends—including the increasing mobility of capital, labor, goods, and information—have led to increased interdependence of countries in both North and South. Some participants expressed alarm at these globalization trends, feeling that change was occurring more quickly than social institutions could respond. Others saw these trends toward globalization in a more positive light, including the increased ability

More equitable tax structures, improved distribution of governmental and financial services, and, in some cases, asset reallocation are a practical and moral imperative.

The Social Summit could play a valuable role in highlighting how to make [structural] adjustment socially sensitive and politically acceptable.

Social development forms the foundation for sustained growth, which can allow for further improvements in social welfare.

of organizations around the world to engage in coordinated social and political action through communications technologies such as the facsimile and electronic mail.

Specific concerns were also raised in the context of global economic trends and policies. There was a wide divergence of opinion on international trade. Some saw recent free trade agreements as a threat to the environment, employment, and social cohesion in their countries. The majority of participants were more concerned about the effect of continued trade barriers in Northern countries on prospects for growth and employment creation in the South. Some participants also expressed hope that social development concerns such as worker's rights and employment, as well as environment could be institutionalized within the WTO. Others expressed strong concerns, however, that social rights monitored in the context of the WTO would lead to hidden protectionism. International trade can contribute to growth by facilitating the transfer of technology and by other means. However, developing countries may benefit from protecting infant industries and may require different trade standards than those applied to developed countries.

Institutional Reforms

Promoting institutional reform and renewal of the major international development organizations—both the United Nations and the Bretton Woods institutions—was seen by participants as a major priority for the WSSD. The Social Summit's coinciding with the 50th anniversary of the United Nations and the Bretton Woods system makes it an excellent occasion for considering how these institutions should be reshaped for the decades ahead.

A majority of participants felt that a fundamental restructuring and consolidation of the United Nations was necessary. Tighter donor-country budgets mean there is a genuine risk that donors will simply start shifting resources away from the United Nations unless there are significant changes to improve efficiency and coordination among U.N. development agencies. In spite of current difficulties, participants felt that the United Nations had a critical role to play in promoting social development, but that roles and programs needed to be more sharply defined and effectively implemented.

Participants also called for greater cooperation among the various U.N. development organizations and the Bretton Woods institutions. Many

participants thought that the U.N. institutions should continue to promote social development and should also strengthen their analytic capacity. Some argued that the United Nations should develop the capacity to provide developing-country governments with workable alternatives to the prescriptions of the Bretton Woods institutions. Others emphasized more the United Nations' role in building institutions and capacity to design and implement national policy. Measures to increase the accountability of the Bretton Woods institutions to social development priorities were expressed as a priority for the Social Summit. Although no clear consensus was reached on the specific nature or extent of reforms required for the U.N. and Bretton Woods institutions, most participants felt strongly that the Social Summit should play a central role in initiating the reform process.

The best institutional means to monitor the specific agreements that result from the Social Summit were also discussed. Several proposals were put forward for the establishment of an independent monitoring mechanism that would evaluate the social development progress of donors, multilateral institutions, and governments. Various models for such an entity were proposed, including an independent international NGO linked to national NGOs (with Amnesty International and the Earth Council serving as potential models), or an institution imbedded within the United Nations. Some participants cautioned that establishing such institutions might not be an effective use of resources, given that the World Bank and United Nations have been strengthening their own monitoring capacities (e.g., the World Bank is now required to do statistical assessments of poverty in each of its lending countries). Disagreements were expressed on the optimum frequency of statistical monitoring, with some calling for annual assessments and others arguing that annual assessments are neither technically feasible nor justified. Establishing a credible set of monitoring criteria should precede further consideration of institutional monitoring arrangements.

In addition to international institutions, several participants did voice strong concerns, generally supported by the group, that priority be given to strengthening policy, performance monitoring, and implementation capacity within developing-country governments. The dependence of many developing-country policymakers on data and analysis from international organizations was seen as undermining initiative and responsibility

Promoting institutional reform and renewal of the major international development organizations [is] seen as a major priority for the WSSD.

within countries for social development. Efforts to build such capacity were widely endorsed, although a few participants cautioned that given scarce resources, the costs of such statistical and institutional efforts should be balanced against other social development priorities.

Financing for Social Development

The conference also discussed a variety of mechanisms for increasing the financing available for social development. The issues of debt relief and resources for social development were raised throughout the conference. The continuation of high levels of debt—both bilateral and multilateral—was widely seen as a major obstacle to progress in social development. Renewed and creative efforts to relieve the debt burden for the poorest countries, possibly tied to social development objectives, were called for. One proposal was for a multi-year compact between Paris Club donors and a developing country to write off that portion of the country's debt falling due each year in exchange for agreement to annual public expenditure reviews aimed at ensuring progressive improvements in social spending efficiency.

Participants agreed that reprogramming domestic and international expenditures for social programs should be a priority for the Social Summit. To ensure ownership of development programs by recipients, the Summit should also promote partnerships for social development between willing recipients and donors.

The "20:20" proposal put forward by UNDP and UNICEF provoked considerable discussion. The proposal calls for 20 percent of official development assistance and 20 percent of public spending in developing countries to go toward "human priority needs" (defined as investments in primary education, primary health care, basic water and sanitation services, nutrition and family planning). All agreed that if the proposal were to be implemented, more debate as well as precise definitions of what activities would be included within the 20 percent were needed, as well as mechanisms for monitoring outcomes.

Those in favor of "20:20" saw it as a valuable means to increase the resources available to address fundamental human development priorities, as well as to promote the notion of a "compact" for human development between donors and developing country governments. Proponents of "20:20" emphasized that it should be seen as only one important component of a renewed commitment to social development, not all that is

required. In addition, the proposal could be used to rally support for social development and the Social Summit itself.

A number of participants expressed cautions regarding "20:20," while a few voiced harsh criticisms. The use of spending targets could lead to greater inefficiencies if they are not tied closely to specific outcomes. Some considered the importance of increasing the efficiency of social development spending to be a greater priority than increasing the overall volume. Several were concerned that both donors and governments would find bureaucratic means to meet the targets, or that the targets would actually limit spending by serving as ceilings rather than floors on human priority spending. Determining government expenditure on social priorities would be difficult, and countries with high levels of private savings and investment in social development could be unfairly criticized for having low government social expenditures. The strongest dissenters felt that the proposal would simply create another bureaucratic requirement for governments and aid agencies to meet while doing little to actually improve the delivery of social services. The overall sense of the meeting, however, was that the "20:20" proposal should be clarified and at least given serious consideration at the Social Summit.

Various international taxation schemes, or "automatic financing" for social development, were discussed briefly. Recent proposals in this regard include the "Tobin tax," a small percent tax on the value of international financial transactions, and a new issuance of Special Drawing Rights (SDRs) by the IMF. While some participants thought that such proposals warranted further consideration, others cautioned strongly that variations on such schemes have been proposed numerous times over the past decades and have always failed to secure agreement. The notion of international taxes could be so politically unpalatable for Northern governments that it could discredit other efforts of the Social Summit.

A proposal was put forward for the establishment of an international emergency fund for disasters, which countries would pay into like an insurance fund. When disaster strikes one of the participating countries, resources and relief could be mobilized quickly. A similar scheme that could serve as a model is currently operating among the states in India. Setting aside funds explicitly for disaster insurance might also help prevent humanitarian aid from further displacing long-term development assistance.

Renewed and creative efforts to relieve the debt burden for the poorest countries, possibly tied to social development objectives, [are] called for.

Fundação Cuidar o Futuro



Reprogramming domestic and international expenditures for social programs should be a priority for the Social Summit.

Military conflict is antithetical to social development, and even preparations for conflict divert resources from human priorities. Militaries are often politically strong in many developing countries, both undermining democratic institutions and draining money from social investment. In the post Cold War era, a number of countries in both North and South are engaged in the difficult process of converting from military to civilian production. Mutual support and information sharing in this regard would be beneficial. A number of countries—particularly the permanent members of the U.N. Security Council—have responded to declines in domestic military spending by seeking to increase arms exports. Efforts to resolve conflict and encourage governments to mutually reduce military spending and arms transfers are important complements to social development efforts.

Recommendations

A Declaration, outlining general principles of social development, and a Programme of Action, describing concrete measures to be adopted, are expected to be agreed to by heads of state and government at the Social Summit. The following recommendations for these documents emerged from the Princeton meeting. Not all participants would subscribe to each recommendation.

Forge a Vision for Social Development Progress

The Social Summit Declaration should reflect the widest possible international consensus on an explicit vision of social development, followed in the Programme of Action with specific recommendations for international action and cooperation in pursuit of this vision. The Declaration should recognize a set of ethics and values to guide international and domestic social compacts that promote a more humane world. Among the principles that should guide such a vision are a commitment to human rights, gender equity, an end to all forms of discrimination, the enhancement of environment, and the eradication of poverty.

The Declaration should also increase governments' awareness of the linkages between poverty, employment, and social integration and the need to address these three issues simultaneously. The Declaration should make clear to governments that poverty, employment, and social integration are fundamental to environmentally sustainable economic growth.

Develop A Framework for the Programme of Action

The Programme of Action should 1) promote high-impact policies for social development, including support for sound economies, structures of participation, gender equity, and employment generation through small and medium enterprise; 2) identify as top priorities the "core of the core" issues such as extreme poverty, long-term structural and youth unemployment, and violence within homes and states as well as across national borders; and 3) encourage institutional reform, by directing greater attention to social development concerns, improving the effectiveness and efficiency of the U.N. system, and increasing openness of the Bretton Woods institutions and integration of poverty and equity objectives into structural adjustment programs.

Adopt a Global Compact on Poverty

The Social Summit should call for a "Global Compact on Poverty." This compact should commit to new objectives for poverty alleviation, calling for each country to reduce poverty—and absolute poverty in particular—significantly within a specified time period.

In addition, this compact should reaffirm existing, internationally agreed social objectives in areas including health, education, and nutrition, as well as conventions on human rights and nondiscrimination.

A technical group, composed of representatives from U.N. agencies, should be established to formulate a meaningful and achievable poverty reduction goal for the Social Summit.

Increase Productive Capacities and Opportunities

Governments and international institutions should increase the productive capacities of people by improving education and training and eliminating barriers to engaging in productive activities. Policies should be designed that enable people to generate their own livelihoods whether via wage employment or other productive activities.

Governments and international institutions should adopt national and international policies to foster more rapid and labor-intensive growth as a major instrument to generate productive employment for the maximum number of people, concentrating on providing productive opportunities for women, young people, and long-term unemployed. A technical group, perhaps led by

the ILO, should identify for the Social Summit proposals and policies to promote labor-absorbing growth paths, that will guarantee sustained expansion of productivity, employment, and real wages.

Enhance Social Integration

Institutional mechanisms need to be established by governments and international institutions to improve research and data collection and to address problems related to social disintegration including violence and discrimination, particularly against women, minorities, and other marginalized groups.

Strengthen Civil Society

The Social Summit should encourage governments to create an enabling environment for civil society and should call on donor agencies to strengthen efforts to provide financial and technical assistance to civic organizations. Governments should be encouraged to establish legislation and incentives for the formation of civil society organizations; eliminate any current legislative, administrative, and procedural barriers to the functioning of civil society organizations, including reducing legal restrictions on NGOs and modifying tax codes; and providing mechanisms and funding for the activities of civic organizations including implementation of social status programs.

Both governments and multilateral institutions should increase collaboration with civic organizations in development endeavors, not only in project implementation but also in identifying development priorities.

Civic organizations should be involved both in the national and international preparations for the Social Summit. Governments should help mobilize NGOs and the media within individual countries in advance of the Summit to generate both participation and interest.

Promote Equity

The Social Summit should highlight the consequences of continued inequity by calling for improved data and analysis on social, economic, and gender equity issues and by encouraging governmental policies to create more equitable tax structures and distribution of government services.

Governments should adopt measures to remove legal and social barriers to women's access to productive assets. Governments should strive to improve the availability of child care and to

increase provisions for flexible work, particularly in developed countries.

Governments and international institutions should improve education and training for women, including universal primary education for girls.

The Social Summit should encourage the provision of reproductive health care, including access to quality family planning services.

Balance the Structural Adjustment Process

The Social Summit should highlight the need to develop a more balanced structural adjustment process. Recipient countries should be relied on more to formulate initiatives, so they can develop a sense of ownership in structural adjustment programs. Developed nations should commit to managing the global economy well and to eliminating existing trade barriers to the exports of poor countries, so that developing countries can meet structural adjustment objectives.

The Bretton Woods institutions and the United Nations should create new forms of partnership to strengthen the role of the United Nations in building national capacity to devise and implement structural adjustment programs.

The Summit should establish an independent commission and regional task forces to develop better data on the social dimensions of structural adjustment and generate better understanding of the impact of structural adjustment on human development, particularly in Africa and the poorest countries.

Foster Equitable Economic Growth

Broad-based sustainable global economic growth is a necessary—though not sufficient—condition for sustained employment creation and poverty reduction. Governments and multilateral institutions should make greater efforts to implement policies that foster equitable economic growth, both nationally and globally.

Reform International Institutions

The Social Summit should establish procedures to reform the four pillars of the international system, including the United Nations, IMF, World Bank, and GATT/WTO to increase efficiency, openness, coordination, and effectiveness in fostering social equity and sustainable development.

The relevant U.N. agencies and Bretton Woods institutions should spell out their follow-up activities for the social development and women's conferences, including reform measures to be taken, prior to the convening of these conferences. One section of UNDP's *Human Development Report* could summarize on a regular basis progress on the Social Summit goals.

Governments and international institutions should strengthen data collection and statistical systems to support countries in monitoring social development goals and to expand the international database to incorporate socially beneficial activities currently not included in available data, such as women's work, the informal economy, and sustainable livelihoods. In addition, governments and international institutions should increase research on social development issues and integrate this research into the implementation of social policy.

The Social Summit should explore the need for an independent commission that would monitor the social development progress of donors, multilateral institutions, and governments. To help determine this need, the Summit should first establish a credible set of monitoring criteria.

The Summit should encourage the United Nations to agree to a five-year moratorium on international conferences to allow time for governments and international institutions to follow through on agreements made at previous conferences.

Examine Options for Financing Social Development

Leaders at the Social Summit should agree on the principle of reprogramming both domestic and international expenditures for social programs and should initiate partnerships for social development between willing recipients and donors to ensure ownership of programs by recipients and matching funds. Leaders should recognize that the bulk of needed resources will have to be met by developing countries reordering public spending and reducing military expenditures to increase the amount available for social development.

The international development agencies should further develop the concept of the "20:20" compact, which would require developing countries and donors to provide a minimum of 20 percent of their budgets for human priority concerns, as one possibility for reprogramming expenditures, with full acknowledgment that the "20:20" compact is a minimum provision and that it is an important component but not all that is required for human development.

Governments should explore new mechanisms such as an international insurance fund to which each country contributes funds for emergencies.

Governments and international institutions should promote demilitarization and conversion from military to civilian production and encourage reduced military spending in both developing and industrialized nations.

Creditor governments should be urged to provide debt relief to developing countries, and in particular, to the poorest nations. Relief could be linked to social development goals.

A task force should be established by the Social Summit to explore new, more automatic sources for international financing, including a new issuance of SDRs and new proposals such as the "Tobin tax," a proposed international uniform tax on spot transactions in foreign exchange.

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