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Social Dimension in the Limelight

From 6th to 12th March the first United Nations Conference on Social Development took place in Copenhagen. Delegates from over 180 countries discussed and adopted a declaration of principles and a programme of action with the express aim of fighting poverty, unemployment and social disintegration. Judging by the rank of those in attendance at the close – 118 heads of state and government were present at the official adoption of the two documents – it was the most significant UN conference for a long time. This demonstrative act was intended by the organizers to be an expression of the common commitment to accord top priority to the social development and welfare of humanity in the coming years.

In view of the alarming social situation in many parts of the world this project was indeed urgently necessary. After all, some 120 million people are officially unemployed. In addition, over 700 million are underemployed, i.e. they are working but due to low productivity do not earn enough to escape poverty and hunger. The situation is particularly bad in Africa, where the rate of unemployment averages 20%. Underemployment and unemployment are the major reasons why more than a billion human beings, many of them women and children, live in absolute poverty. Contrary, though, to what many may have hoped in view of these figures and in view of the presence of so many world leaders in Copenhagen, the documents do not contain any essentially new international agreement on development and social policy. Rather, as so often at the over-dimensional UN conferences, the declaration of principles and the programme of action both turn out on closer inspection to be somewhat vague.

One reason for this is that the conference was addressing problems which are the domain of other specialized forums or institutions. The final document thus frequently alludes to existing conventions and declarations, without being able to make them more binding or more precise. Thus, for example, with regard to the question of debt cancellation for the poorest countries, which is declared to be necessary, all that is to be found is a reaffirmation of the agreements of the Club of Paris of December 1994, which foresee a "case by case" cancellation of up to 67%, and an appeal to the international financial institutions, i.e. in particular the IMF and the World Bank, to look into "innovative methods" to relieve the multilateral debt burden of the poorest countries. The remaining passages of the document are equally non-committal, such as "respect for relevant International Labour Organization Conventions", to which after a long discussion the wording "including those pertaining to prohibition of forced and child labour, the freedom of association, the right to organize and bargain collectively and the principle of non-discrimination" was finally added.

The most notable outcome of the summit is the agreement on the so-called 20/20 strategy, according to which the donor countries are supposed to earmark 20% of their contributions for basic social programmes such as basic education, health, nutrition, water supply and lending for the poor, and the recipients commit themselves to set aside 20% of their national budgets for these purposes. However, this approach is not stipulated as a rule in the financial document but is simply proffered as a guideline for interested countries. The resolution on the setting up of a Social Fund for Human Development was deferred and the wealthy countries refused to commit themselves to providing more development aid. All the delegates did was to confirm the 0.7% target of the United Nations, which is over 20 years old, while, in view of the often emphasized limited ability of the donor countries to pay, adding the remark that this target should only be met as soon as possible.

The main reason for the lack of any binding international development policy or social policy plans in the final documents is, however, to be found on another plane. As the progress achieved so far demonstrates, development policy until now has not been unsocial. A number of developing countries have made substantial economic progress over the last three decades. Per capita income and per capita consumption have risen considerably, life expectancy has increased, infant mortality has declined and the level of education has improved across the board. In many parts of the world poverty has thus diminished markedly.

Although the eighties have in part gone down in history as the lost decade, this generally positive trend did not reverse. However, the developing countries, like the industrial countries, had to cope with macroeconomic adjustment crises and were not all equally successful in dealing with this task, which led to a pronounced regional disparity in economic development: in contrast to the accelerated expansion in the Asian countries, income has declined and poverty has spread in many countries in sub-Saharan Africa and Latin America. Many of the Asian countries not only showed faster economic growth, but in addition they considerably improved the distribution of income. In some countries the proportion of the population living below the poverty line fell dramatically, for example in Indonesia and Thailand from almost 60% to 17% and 26% respectively.

The lessons to be learnt from this experience are plain. Those countries which succeeded in reducing poverty considerably over the last 20 years also received development aid and advice from the IMF, the World Bank and others. The reason for their success and for the failure of others, however, is that the development assistance in these countries was channelled by an economic policy that ensured that all internal and external government resources were effectively invested. These countries also pursued social policy goals, not least by directing the available funds into basic health and education systems, but at the same time they consistently maintained stable institutional and overall economic parameters for sustained economic growth. What took place is something Galbraith (1958) had observed in the United States: the increase in production in these countries is also in the process of transforming poverty from a problem of the majority into a problem of a minority.

Increased development aid does not necessarily alleviate social hardship. Ultimately only those countries will benefit from foreign private and public assistance whose governments are committed to these basic principles in their policymaking. Development aid can provide effective support to a poor country committed to investing in social and economic progress, but it cannot take the place of such a commitment.

No more can declarations create jobs or reduce poverty. The struggle against poverty is not, as the initiator of the Copenhagen summit, the Chilean Juan Somavia, claimed, comparable to the struggle against slavery in the 19th century. The abolition of slavery can be decreed and enforced by governments, whereas that of poverty cannot. In order to abolish poverty conditions must be created which enable solidarity to evolve and under which creative entrepreneurs can develop enough demand for labour so that poverty is reduced via employment.

The sceptical reluctance of the donor countries evident in the final documents therefore does not necessarily make the Copenhagen conference into a useless event which is all the more expensive for being so. Firstly, it put the social dimension back into the limelight of development efforts where it belongs. Secondly, if in future the fundamental correlations, which are certainly also pointed out in the documents, are consistently taken into account by those who have neglected them until now, the conference could definitely be judged a success. The experience of recent years, however, gives little ground for optimism in this regard at the present time. In the final analysis we are thus left only with the feeling of relief that this time claims and instruments have not been laid down in writing that harm the social cause more than they help it.

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