

Overview

Globalization with a human mask

The Social Summit took place in Copenhagen in 1995 at a time when free-market enthusiasts were promising to deliver progress for all. But there was widespread discontent with the damage caused by neoliberal policies. Poverty and unemployment were growing rapidly in indebted Third World countries. The collapse of the Soviet Union exposed large numbers of people to the rigours of the market without making adequate provision for social protection. And the welfare state was under threat in OECD countries, where workers were subjected to levels of uncertainty unknown for decades.

Many Summit participants demanded change: a significant increase in economic opportunity, the creation of new and better jobs, a more equitable distribution of income, increased gender equality and inclusiveness. A chorus of well-informed protest also demanded economic policy reform, to reduce crippling instability in global markets and permit robust economic expansion.

In the five years since Copenhagen, events have confirmed the incapacity of the dominant macroeconomic model to meet these challenges. There has been relatively weak growth of global GDP, with unusually high or low growth in some countries or regions. This has been accompanied by falling real wages and the degradation of working conditions for large numbers of people.

The instability of the global financial system has deepened. The collapse of the Mexican economy, brought about by the uncontrolled flight of capital in late 1994, was followed during 1997 by a still larger economic crisis in some East and Southeast Asian countries. Macroeconomic statistics suggest that these nations have staged a rapid recovery, but millions of their people have not.

UNEMPLOYMENT AND POVERTY

The most direct impact of crisis has been on

jobs. Unemployment rates doubled in Asian countries where the depression of 1997–98 was worst. And in Latin America, unemployment stood in 1998 at its highest level in 15 years. Even those who do manage to find work are often obliged to accept temporary or part-time jobs. Or they are swelling the informal sector—which, in sub-Saharan Africa, for example, already contains at least two thirds of all jobs.

Wages in the current labour market are generally low. Intense competition for employment means that workers have little capacity to bargain in most countries. And in regions struggling to cope with long-term economic stagnation and indebtedness, the remuneration of workers is often inadequate. Real wages throughout much of Latin America and Africa have yet to return to levels considered normal 20 years ago. Even in China, which has experienced unprecedented growth during the past two decades, restructuring implies hardship. Millions of workers in state and collective enterprises are being placed on leave at half pay or less.

Failure to create sufficient employment has undermined the prospects for poverty reduction. The number of people living in income poverty fell in the mid-1990s but then started to rise again in almost all regions. This is not because the world as a whole has been getting poorer but because the benefits of growth are very unevenly spread. There has been a striking increase in inequality over the past decade.

THE CAUSES OF FAILURE

Faith in the ability of unregulated markets to provide the best possible environment for human development has gone too far. Too great a reliance on the “invisible hand” of the market is pushing the world toward unsustainable levels of inequality and deprivation. A new balance between public and private interests must be found.

Efficient markets, functioning in a way that

promotes widespread well-being, require the contributions of a well-run public sector. They require a healthy, well-educated and well-informed population. And they require the social stability that grows out of democratic governance and an acceptable level of social security.

In fact, the greater the degree of openness of a market economy—the greater its exposure to market forces—the more important is the role that must be played by national governments in the field of social policy. Yet the thrust of much of the neoliberal agenda has run directly counter to this dictum. For decades, the prevailing orthodoxy has counselled a reduction of state functions. And for decades, governments without the capacity to resist this pressure have been abandoning essential elements of public social provision.

THE RESPONSE OF THE INTERNATIONAL COMMUNITY

In response to obvious failures in the current development model, the international community has begun to move in various directions. There is little coherent orientation to this process. In fact, even within a single institution, it is usual to find initiatives that contradict each other—so that what may be accomplished through trying one new approach is largely offset by what may be lost through another.

A renewed emphasis on poverty alleviation is perhaps the most visible new departure. Although this is of vital importance, most agencies and governments are adopting a technocratic approach to a highly complex social problem. Their focus is narrowly remedial and is all too easily associated with an attack on the principle that public services should be extended to all citizens equally. Creating a dual structure of social services—one aimed at the poor and funded by the state, and one aimed at everyone else and provided by the private sector, is good neither for social integration nor for the quality of public services.

Public provision is under attack from other quarters as well. Both the aborted Multilateral Agreement on Investment and discussions in the WTO would convert basic public services into commodities—subject to the same competitive bidding as any other item in the general category of “trade in services”.

To offset the divisive incursion of market forces into areas that are essential for social security and stability, there has been renewed support during the past five years for some form of global social standard-setting. When linked to trade sanctions, this has proved extremely controversial. Since increasing globalization requires the elaboration of shared social norms, it is necessary to find a way out of this impasse.

NEW ARCHITECTURES?

As the social and political nature of the market becomes obvious to a wider group of thinkers and policy makers, there is an incipient return to the kinds of integrated approaches to development that were in vogue in the 1960s and 1970s. The Comprehensive Development Framework of the World Bank, for example, tries to treat structural and social concerns in conjunction with aspects of the macroeconomy and finance.

At the same time, there is much talk of creating a new institutional setting at the international level, a new context for stimulating broadly based growth and reducing unacceptably high degrees of volatility and risk in the global economy. Useful as it may be, this discussion is concerned above all with ensuring the stability of the system. Movement toward alternative development models is not visible.

Moreover, there is complete silence on how to go about creating the social development architecture that would have to underpin the central vision of the Social Summit. This must allow for qualitatively new approaches to growth, based on a new understanding of the vital role of a healthy, literate and secure society

in creating the conditions of economic progress. Yet social policy today remains largely detached from economics, or is seen as an add-on intended to remedy the ill effects of misconceived economic development. Until this changes, it is unlikely that the “society for all” envisioned by signatories of the Copenhagen Declaration will be within our grasp.

Who pays? Financing social development

More wealth has been generated over the past few decades than ever before. But far too little of it is being channelled into financing social development. In fact, while levels of social spending have generally been maintained in the advanced industrialized countries, they have plummeted in many highly indebted nations and in the Commonwealth of Independent States.

DEBT RELIEF

Since governments in many poor countries pay more in interest to foreign creditors than they allocate to basic social services, a resolution of the long-standing debt crisis is imperative. One apparently promising response to this challenge was the Heavily Indebted Poor Country (HIPC) initiative, launched by the IMF and the World Bank in 1996. In the event, the initiative has achieved little. Responding to pressure from international coalitions, notably Jubilee 2000, the Group of 7 industrialized countries promoted further debt write-offs in 1999, although these also fell short of expectations. The most effective steps have been taken by individual countries, some of which have announced plans to cancel all bilateral debt owed by the poorest nations.

HIPCs account for only about 10 per cent of total Third World debt. The rest is owed by less-poor or middle-income countries, where the debt crisis of the 1990s has evolved into long-term subjection to the international bond markets. The new debt bondage has serious

implications for democratic control over social policy. Even to hint that the debt overhang is a constraint on social spending—or that social and economic policy must change—will flash warning signals to investors around the world. This will depress bond ratings, raise the level of interest that governments must pay to bondholders, and perhaps promote capital flight.

Continuing poverty and the likelihood of further crises demand not just urgent attention to immediate debt problems but also a fresh approach to future borrowing. This will require new institutions for dealing with debt, including the possibility of sovereign bankruptcy. A growing willingness to discuss this issue is one of the more positive developments of the past few years.

At the same time, it is important to confront the difficult issues posed by conditionality. If anything, the conditions imposed for potential debt relief grew more complex in the late 1990s. Now borrowers should not only carry out market reforms, but also target relief toward the reduction of poverty. While this is understandable, it is not likely to be effective. It is probably more useful simply to insist that each debtor government take its budget decisions in an open and democratic fashion.

DEVELOPMENT ASSISTANCE

To strengthen the economies of the poorest countries, debt relief is not enough. An increase in development assistance is also essential. Although this was promised at Copenhagen, it has not been forthcoming. By 1998, development assistance was down to 0.23 per cent of donor countries' GNP.

This decline is partly a result of “donor fatigue”—disenchantment with inefficiency and corruption in recipient countries. But problems with aid are not entirely due to the weakness of Third World institutions. In recent years, development assistance has had to operate in such a generally hostile global

economic climate that its limited success is hardly surprising. Not only has a considerable proportion of all aid been channelled toward debt repayment, but it has also been used to finance donor-mandated policy reforms that have produced meagre results.

As donors increasingly recognize the pitfalls associated with conditionality, some are changing tactics. Instead of being selective within countries—indicating areas of priority action—they are being more selective among countries. They are choosing partners with records of good governance and economic reform and allowing them greater control over the use of funds. This is progressively reducing the number of countries to which bilateral donors provide assistance.

A way to avoid the dilemmas associated with foreign aid is simply to replace it—perhaps with a new international development fund that would automatically transfer money from rich countries to poor ones. Proposals of this kind, which frame the challenge of poverty eradication in terms of human rights, rather than discretionary giving, are often linked to demands for new forms of international taxation.

THE NEED FOR TAX REFORM

Even if there were to be less debt and more aid, developing countries attempting to meet the most pressing social needs of their people must generate more of their own resources through taxation. But their already precarious tax base has been further weakened by recent free-market reforms. Much of their public revenue comes from taxation on trade—a source that diminishes brusquely as tariffs fall. A further problem—for all countries—is the prospect of tax competition. Governments are wary of raising taxes on foreign, or even national, businesses, because they might relocate elsewhere. A growing informal sector also shrinks the number of taxpayers.

The trend virtually everywhere has been to

make up for growing shortfalls by increasing consumption taxes—and particularly the value added tax. This may raise revenue, but it is essentially regressive—taking a larger proportion out of the incomes of the poor.

There are more progressive options. One would be to remove tax benefits for offshore accounts. An IMF study has calculated that if these \$8 trillion-worth of deposits earned income of around 5 per cent per year, and this were taxed at 40 per cent, some \$160 billion would be raised annually—almost double what it would take for all countries to guarantee basic social services.

In the last analysis, only co-ordinated international action can protect the revenue base of governments. New information technologies and financial liberalization give individuals and businesses increasingly sophisticated options for moving their funds internationally, in ways that elude taxation. As awareness of this threat becomes more widespread, there are growing efforts to counter cross-border avoidance. Proposals to establish a World Tax Organization are also gaining considerable attention.

PENSION REFORM

Pension schemes all over the world have come under pressure from a combination of shrinking government resources and aging populations. Advanced industrialized countries have remodelled their public pensions schemes without abandoning them. But many developing countries have been encouraged by the World Bank and the IMF to attempt a radical privatization of pension programmes.

Both the theoretical and practical bases for this experiment have been questioned. In late 1999, the World Bank itself prepared a thoroughgoing critique of the economic and actuarial justification for privatization. And recent evaluation of the Chilean experience suggests weak performance in terms of efficiency, yield, coverage and gender equity.

It is time to introduce a note of caution and realism into what has often been a highly ideological debate. The most creative attempts to provide security for the aged have involved innovative combinations of public and private schemes.

MOBILIZING RESOURCES

AT THE GRASSROOTS

When facing high debt payments, declining development assistance and falling tax revenues, governments must make a special effort to use scarce resources efficiently. In this regard, the international development community has strongly recommended such measures as decentralizing and targeting services, and introducing user fees in basic education and health. These are not panaceas. In some cases, they are useful. In others, they simply shift the burden for financing social development downward, away from those who have most toward those who have least.

Providing micro-credit has become one of the most popular forms of assistance at the local level. These small loans alleviate immediate problems, but they do not usually lift people out of poverty. It is remittances—income sent back home by migrant workers in foreign countries—that play by far the largest role in improving the level of living of low-income groups in developing countries. Between 1970 and 1995, global flows of remittances are estimated to have grown from \$2 billion to around \$70 billion. Providing a broader range of financial services at the local level could enhance the usefulness of these resources.

Fragile democracies

As participants in the Social Summit affirmed, promoting social development requires vigorous democratic institutions. And in fact, the vast majority of countries now have formally democratic systems of government—many of the newer ones with strong support from the

United Nations. But the creation of the full range of institutions required to support democratic deepening is a long and difficult process. A number of countries are only setting out on this road, or appear to have stopped along it at an early stage.

Incomplete transitions produce illiberal democracies, lacking such essential democratic institutions as an independent judiciary and a free press. These incomplete democracies continue to shelter powerful groups, who are accustomed to operating outside the democratic arena. Thus in Latin America, governments still unable to complete the transition to democracy provide continued protection to former military leaders. In Africa, they allow autocrats a continued hold on power. And in a number of countries in Eastern Europe and Central Asia, they permit old party bosses to rule behind the façade of elections. Such countries also tend to have weak administrations, with poorly paid and ill-trained civil servants who are vulnerable to corruption.

Even countries that have made considerable progress in the construction of democracy confront dangers that should be recognized. The first of these is voter disillusionment, when elected governments confront difficulties in ensuring stability and economic development. People may prefer authority to uncertainty. Thus there is always a risk that underperforming democracies will harden into autocracies.

ETHNICITY AND DEMOCRATIZATION

Democratic regimes are also vulnerable to the centrifugal forces of ethnic conflict—and in fact, some governments are tempted by autocracy as a means of holding multi-ethnic states together. Ethnic diversity is not a problem in itself. The problems arise only when ethnic identity is politicized—at which point it can be used to provoke behaviour that is insular, xenophobic and destructive. The civil wars of the 1990s may not have started as ethnic con-

flicts—but ethnic identity certainly came to the fore once they were under way.

There are many ways of accommodating the interests of ethnic groups, to coincide with the needs of different political systems and societies. For example, federal structures can devolve considerable authority to state or provincial assemblies. Governments can also choose electoral systems that encourage parties to appeal to voters across ethnic lines. Or they can accept the fact that citizens will vote along ethnic lines, and design a system that obliges ethnically based parties to share power.

Reforms should aim to weaken polarity and promote moderation. They should also strengthen institutions constructed in non-ethnic ways—such as trade unions, professional associations and other civic organizations. Governments must try to avoid freezing existing ethnic cleavages, and they must leave citizens the room to change their affiliation or express multiple identities.

THE RISE OF TECHNOCRACY

Finally, contemporary democracies—whether new or old—are increasingly vulnerable to takeover by technocrats. As globalization and financial liberalization subject national economies to the dictates of international financial markets, power is being drained away from elected representatives toward officials who operate beyond democratic oversight. Governments anxious to maintain their credibility try to lift macroeconomic decisions out of the day-to-day political fray and into the more esoteric realm of highly trained finance ministers and central banks, as such moves are likely to generate confidence among international investors.

Technocratic decision making has also been spurred by the growing ascendance of the new managerialism, in which governments are supposed to operate more like businesses. This way of thinking has had greatest impact in the

OECD countries, but developing countries have also been affected by it.

Citizens may not worry about technocratic government if it delivers economic stability and development. But isolating policy makers from popular sentiment can alienate citizens and block the way to future progress. It can also weaken democratic institutions. Therefore parliamentary oversight of key economic policy decisions must be improved.

Democracy is not a static condition. It is a constantly evolving process. The best way to achieve durable support is through participation, dialogue and compromise. Without these, democracies can mutate in unpredictable and unsettling directions.

A new mission for the public sector

Between 1945 and 1980, the public sector enjoyed unprecedented expansion. Most people wanted their governments to play a central part in national development. During the 1980s and 1990s, however, some states disintegrated and many were affected by free-market reforms.

The most pervasive and far-reaching reforms have been those that aim for fiscal stability—concentrating particularly on cutting public expenditure. It is significant that in the advanced industrialized democracies, states did not succeed in cutting expenditures by much. They faced stiff resistance from citizens who defended existing social services and entitlements.

Developing countries faced less well-organized civic opposition and cut expenditures much more sharply. Their resolve was stiffened by pressure from international financial institutions. In fact, budgetary reforms have been the single most important condition imposed in conjunction with structural adjustment loans over the past two decades.

Between 1990 and 1997, public expenditure as a proportion of GDP fell from 26 to 22 per

cent in sub-Saharan Africa. Meanwhile, in the OECD countries it rose from 45 to 47 per cent. The privatization of public enterprises was another strategy employed to reduce budget deficits. Developing and transition countries privatized public enterprises worth \$155 billion between 1990 and 1996. Governments in Latin America led the way—accounting for more than half these sales.

With the encouragement of the World Bank and the IMF, governments have also aimed to increase the efficiency of the public sector. In this, they have been guided by theories of new public management, which apply principles of economics to political and bureaucratic processes. Generally, this means breaking activities into more manageable parts—creating new agencies and quasi-markets within the administration, as well as contracting services out.

Such systems can only work if there is effective monitoring based on sound budgeting and regular flows of accurate information—areas in which many governments of developing countries are weak. In these circumstances, the new systems may create little more than an empty managerial shell.

Effective public sector reform requires a skilled cadre of people who are well educated and well paid. Yet public servants in the majority of developing countries have seen their real wages fall steeply, and systems of higher education in poorer countries are often in crisis. University buildings are decaying, equipment is non-existent and teachers are joining the private sector, taking on extra jobs or migrating abroad. This is in part an outcome of forcing a trade-off between improving “basic education” and supporting secondary and university instruction.

Reforms of the public sector should be firmly grounded in what citizens see as the mission for their state. In the last analysis, these missions are not managerial; they are social. People want to move toward societies that are

more prosperous, equitable and harmonious. Having ambitious managerial targets may be a part of this—but only a small part. Indeed, focusing too rigidly on market-driven reforms, without building broad political consensus for change, is likely to perpetuate the incidence of failed states, civil wars and developmental stagnation.

Calling corporations to account

In the past, transnational corporations were rarely called upon to have explicit social policies. But that is changing. Today, TNCs find themselves embroiled in many of the most vexed social issues, from global warming to child labour to genetically modified food.

There are a number of reasons for this. One is the sheer scale of transnational operations: some 60,000 corporations now account for one third of world exports. This inevitably gives them a higher public profile. But corporations have also come under much closer scrutiny from non-governmental organizations, particularly those concerned with the environment and human rights.

In response, TNCs have developed a series of voluntary initiatives—including codes of conduct, environmental and social certification and auditing systems, and compliance with various international standards. They have also started to work in partnership with their critics, as well as with agencies of the United Nations.

This may occur because corporations believe it is their duty. More likely, it is a strategy of reputation management, deployed either to gain a competitive advantage through a cleaner, greener, image or to avoid negative publicity and the risk of consumer boycotts. Although only a few consumers will go out of their way to buy ethical goods, many more will shun companies that have been accused of environmental destruction or of employing child labour.

Many companies have mastered socially

responsible rhetoric, but few have taken comprehensive action. Only a small proportion of companies have introduced codes of conduct. These tend to be narrow in scope and are often not independently verified. Some of the most inflated claims come from corporations that say they are contributing to sustainable development—which generally means merely that they are making some efforts to achieve eco-efficiency.

Corporations want to avoid “hard” regulation and would prefer “soft” approaches through voluntary initiatives and partnerships. But left to their own devices, TNCs are likely to fulfil their responsibilities in a minimalist and fragmented fashion. Ultimately, most corporations will only respond to stronger regulation, and to close monitoring by NGOs, trade unions and consumer groups.

Civil societies

The Social Summit, like many other international gatherings before and since, placed a lot of trust in civil society—all the myriad groups that belong neither to government nor to the profit-making private sector. Civil society organizations (CSOs) have certainly been proliferating in recent years, partly as an outcome of increasing democratization, but also in response to the availability of donor funds seeking civil-society partners.

CSOs AND SERVICE DELIVERY

Non-governmental development organizations—NGDOs—are an important subset of civil society. For decades they have made important contributions to key issues of development policy. What is different today—particularly in developing countries—is the extent to which governments and aid agencies expect them to provide social services, either independently or in collaboration with the state. This is part of the more general trend toward reducing the obligations of govern-

ments and shifting responsibility for social provision to the profit-making private sector and non-profit organizations. By the mid-1990s, NGDOs disbursed approximately 15 per cent of total public development aid.

Donors assume that NGDOs are more efficient at providing services than governments, but there is little evidence to support this. In fact, NGDOs tend to have an uneven reach, to offer services of inconsistent quality and, often, to provide sporadic coverage. Their advantage usually lies in their ability to experiment with new approaches and adapt projects to local circumstances.

Donors would like the NGDO ethos of independence and creativity to pervade official aid programmes. Unfortunately, the reverse appears to be happening: NGDOs are becoming dependent on foreign donors and tend not to challenge donor policies and procedures. Today, far fewer NGDOs than in the past would consider themselves campaigning advocates for the poor. As contract-based service providers, many do as they are told.

Perhaps the most serious danger in delivering services through NGDOs is that of confusing lines of accountability. Even when services are subcontracted, ultimate responsibility for their quality must lie with the state. Yet as governments withdraw from certain areas, their capacity to formulate effective strategies, or to monitor or evaluate sub-contractors, may be reduced.

INTERNATIONAL ADVOCACY

International advocacy is another area in which CSOs have achieved greater prominence during the past few years, particularly at the United Nations. CSOs do not generally participate in formal UN decision making, but they do affect the terms of the debate—particularly in areas such as human rights, which are politically controversial.

CSOs were prominent in the series of UN

conferences held during the 1990s. By the time of the Social Summit, CSOs had debated and provided alternatives to every key phrase in the draft documents. In addition, 1,500 CSOs now have official accreditation to the United Nations Economic and Social Council—ECOSOC—and there have been attempts to accord them a formal status in the General Assembly as well.

The international agency that has received the most sustained criticism from CSOs is the World Bank. Opposition to World Bank programmes intensified in the 1990s, with blanket denunciations of its development policy (expressed through the “Fifty Years Is Enough” campaign), as well as mobilization against high-profile dam and resettlement programmes. This finally forced the Bank to abandon some projects and to establish improved mechanisms for internal review.

The women’s movement has also made effective criticisms of Bank programmes, prompting establishment of a Gender Analysis and Policy Group. But although CSOs have had an impact in certain areas of the World Bank’s work, it remains to be seen whether these changes affect the Bank’s core activities. They have not yet shifted the economic rationale for project decisions—and they do not yet seem to be incorporated into the day-to-day operation of the institution.

At least, the World Bank has become more willing to co-operate with CSOs. This represents progress, but it also enhances the risk that members of civil society organizations will be offered pseudo-influence. Some of their members, incorporated into Bank activities, may be able to promote incremental reforms. But more fundamental change will probably only come from persistent, objective external criticism.

In terms of achieving policy change, one of the most significant achievements of international civil society in the 1990s was the sinking, or at least the temporary submersion, of

the Multilateral Agreement on Investment in 1998. The anti-MAI campaign probably signalled the coming of age of the Internet for the hundreds of pressure groups that used e-mail and Web sites to co-ordinate their strategies. This experience was used to good effect in other international campaigns, like the Jubilee 2000 coalition against debt, the mobilization against land mines and protests against genetically modified food. It also served as background for massive protest surrounding the World Trade Organization meeting in Seattle in November 1999, which underscored growing public unease with the nature of negotiations on free trade.

Increasing international activism is sometimes taken as proof that a new global civil society has been born. This probably overstates the case. What has emerged is a raucous and intelligent combination of research, idealism and cheap technology—now armed with human rights law. Governments, corporations and international institutions ignore these voices at their peril.

Getting development right for women

Women’s groups and coalitions played a prominent part in the international conferences of the 1990s. But despite such visibility, many political and cultural barriers to gender equity remain stubbornly in place. And women often bear much of the burden of the social dislocation that has accompanied economic liberalization during the past two decades.

DEMOCRACY AND GENDER EQUITY

Recent transitions to democracy owe a great deal to pressure from women’s movements—with feminists and popular women’s groups working together to bring about changes in government. But the heterogeneity of these groups often makes it difficult for them to forge coalitions in subsequent democratic regimes—and thus to improve the institutional context

for gender equity.

Democratic institutions are not automatically gender equitable. In fact, the low level of participation by women in formal democratic politics remains a problem in the large majority of countries around the world. On average, only 13 per cent of all members of parliament in the world are women. The cultural construction of political office as masculine plays a significant role in maintaining this imbalance. And to overcome it, some governments and political parties are engaging in electoral engineering—requiring that a certain proportion of all candidates be women, or specifically reserving a certain number of seats in parliament for them.

Unfortunately there is no guarantee that women who are elected to office will stand up for women's interests. Many successful women politicians have not been feminists. And those who have achieved representation through quotas or reserved seats may be reluctant to voice dissent. Still, women parliamentarians in many countries have come together to push for progressive legislation on such issues as divorce, domestic violence and reproductive rights.

WOMEN AND SOCIAL POLICY

Women in parliament have been less successful in influencing decisions on social policy and public expenditure that have crucial implications for women. For example, the kind of health sector reform introduced in many developing countries during the 1990s has frequently been disastrous for poor women. Aimed at improving cost-effectiveness, these reforms have introduced user charges and greatly restricted the kinds of services available in public clinics. They have also raised difficult questions for the women's NGOs that are being drawn into them as service providers and monitors.

Economic crises and structural adjustment programmes have obviously affected educational opportunities as well. There is a new emphasis on expanding primary school enrol-

ment, and this has been increasing in recent years. But drop-out rates remain high, and many poor families have to choose which of their children they can afford to have educated. For economic or cultural reasons, they frequently choose to keep girls at home.

Moreover, the reduced coverage and quality of secondary education is emerging as a major concern. The cultural constraints on female education tend to become particularly acute at the secondary level. Thus as the quality and coverage of secondary education declines, girls in particular may lose out. And, ironically, many studies have shown that the much-publicized benefits from female education tend to be greatest at higher levels of schooling.

Education should also enhance women's economic entitlements. Certainly, more women are working outside the household than ever before, for a variety of reasons. First, more women now need to work to ensure family survival. Second, there are now more women-supported households. Third, there has been a rapid growth in the industries that employ a high proportion of women.

This offers women more opportunities but also exposes them to new risks. Many industries that employ women offer poor wages and working conditions. While there is some evidence that men's and women's wages may be converging, it seems that this is often because men's wages have been falling—not because women's have necessarily been rising.

FULFILLING WOMEN'S RIGHTS

Improving the condition of women will mean not simply meeting their needs, but fulfilling their rights. Some of these, like freedom from repressive traditional codes of behaviour, and freedom from domestic violence and forced pregnancy, are basic civil and political rights. Others are social and economic rights, like access to high-quality public services in the field of family care. In a world where much of

the responsibility for social services is being pushed off on communities and families, the societal value of women's work as care-givers must be recognized. Decent "care conditions" are at least as much an entitlement of citizens as decent conditions of work.

Sustaining development

Development agencies now claim to be pursuing people-centred sustainable development. This should imply working in a more integrated fashion—taking a serious look at the sustainability of existing patterns of production and consumption, and co-operating closely with local communities in setting priorities for action.

SUSTAINABLE CITIES

If these principles are to have any lasting value, they will have to work in cities—which now house almost half the world's population. In fact, the Earth Summit considered ways to achieve sustainable development in cities, and spelled out priorities as Local Agenda 21.

A number of campaigns are under way, but their impact has been limited. The impetus for change has often come from middle-class communities, who are more interested in dealing with specific environmental problems than with altering unsustainable patterns of consumption, or inequality. Meanwhile, many poor communities are involved in self-help initiatives, but they rarely take part in wider urban planning or politics.

Achieving sustainable cities demands strong civic cultures and a new politics of cohesion and collaboration. These take time to build—longer certainly than most development agencies customarily contemplate.

SUSTAINABLE AGRICULTURE

The world has proved remarkably successful at food production—though less effective at distributing the output so that no one goes hungry. Many people argue that, with new technol-

ogies, production will continue to keep pace with population. But many aspects of modern agriculture are unsustainable—absorbing ever-increasing quantities of energy and degrading the environment.

Some international agencies and governments are paying more attention to forms of agriculture that replenish—rather than exhaust or degrade—natural, human and social capital. This would mean making better use of natural processes such as nutrient cycling, nitrogen fixation, soil regeneration or natural pest control—and fuller use of the special knowledge and skills of farmers.

But this experience is likely to remain localized unless some major constraints are overcome. Most attempts to promote sustainable agriculture have had to struggle against existing national policies that heavily subsidize energy-intensive agriculture and promote patterns of structural adjustment that weaken farming communities. There has also been far too little co-operation with farmers to explore what works best under local conditions. Sustainable agriculture is not a concretely defined set of technologies; it is a process of social learning.

SUSTAINABLE WATER SUPPLIES

There is increasing pressure on global water supplies. In the past it was assumed that the solution was large-scale state provision. Now many governments believe that the private sector and communities should take greater responsibility, and that activities should be on a smaller scale. Some of this change has grown out of public opposition to the construction of large dams that have caused serious environmental damage and social dislocation. And it is clear that many large-scale irrigation systems have also been ineffective and expensive.

One of the most common solutions to water supply problems is to make associations of farmers responsible for running smaller-scale irrigation schemes. This is not an easy option.

It assumes that the irrigation system is actually working. It also assumes that farmers see some economic benefit in taking on this commitment. In practice, achieving efficiency, sustainability and equity can be very difficult. But it is at least clear that water resources planning needs to be taken out of offices and into villages and town squares. Only then can it identify real bottlenecks and propose manageable solutions.

FOREST CONSERVATION

World development has frequently been at the cost of the world's forests. And the process of degradation appears to be continuing. Poor communities have always struggled to protect their own environments, but have often been overcome by economic or climatic pressures, or overwhelmed by outside forces. Halting this process will mean moving toward more participatory conservation that takes into account the rights and needs of local communities. In particular, it will mean promoting more diverse forms of income generation, so people can earn their living while conserving their environment.

CONTINUITY OR CHANGE?

The term people-centred sustainable development has reminded the international community that development demands more than economic growth; that some features of modernization have unacceptable social and environmental costs; and that this requires different economic policies and approaches to project implementation. But few governments and international agencies have made significant changes. Most have simply applied new terminology to what they were already doing—perhaps with a few extra elements bolted on.

Governments and international finance and trade institutions need to be far more sensitive to the social and environmental costs of their policies, and to make their decision-making processes more democratic. Popular mobilizations that got sustainable development on the

agenda in the first place still have much to do if they want to see new ideas implemented.

In the last analysis, action depends on people's interpretation of what is possible and right. Thus the longer-term nature of mobilization for sustainable development depends not only on activism, but on dominant views about where the world could—and should—be going. If those views support high-consumption lifestyles, then many hard questions about environmental sustainability will not be seriously addressed. And if they sanction unlimited individual gain, it is obvious that institutions designed to promote the common good will suffer.

Five years after Copenhagen, there is little indication that the fundamental goals and values orienting world development are moving toward greater social responsibility. Incentive structures in everything from education to investment decisions have been reoriented toward improving the options of the profit-maximizing individual. The investor has become much more important than the worker. And the consumer has gained higher status than the citizen.

Questioning extreme individualism and the unbridled power of money—reasserting the value of equity and social solidarity, and reinstating the citizen at the centre of public life—is a major challenge of our time. The “invisible hand” of the market has no capacity to imagine a decent society for all people, or to work in a consistent fashion to attain it. Only human beings with a strong sense of the public good can do that.