

Visible Hands

Taking Responsibility for Social Development

An UNRISD Report for Geneva 2000

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Preface

The World Summit for Social Development, held in Copenhagen in March 1995, marked a watershed in international thinking about development. Following years when international financial institutions and many government leaders had narrowly focused their attention on economic growth and stabilization, 117 heads of state or government committed themselves “to creating an economic, political, social, cultural and legal environment that will enable people to achieve social development” (Commitment 1 of the Copenhagen Declaration).

The Summit’s Declaration and Programme of Action stressed the importance of equity, participation, empowerment and solidarity. Social development depended not only on economic growth and getting the so-called fundamentals of macroeconomic policy right, but also on social policy and better distribution of the benefits of growth. Effective institutions were also essential—and were seen to include a strengthened role for the state; a more efficient, transparent and accountable public sector; more supportive international agencies; partnerships with the private sector; and the active participation of civil society organizations in development interventions and policy making.

The task of getting the institutions right was to be accompanied by new approaches to financing social development and dealing with one of the major constraints on development for many countries in Africa and Latin America: the debt burden. The Social Summit also called for democracy and development to be more responsive to women’s interests and concerns, and stressed the need to promote people-centred sustainable development.

But are the reforms that have been proposed really creating an enabling environment for social development? This report assesses what has been achieved in several key areas of policy and institutional reform, and identifies some of the major conditions and constraints that have impeded progress. The analysis is not restricted to initiatives directly associated with the Social Summit; it considers reforms that gained prominence in the 1990s, reflecting more generally the attempt to integrate social concerns into development strategies—a recognition reinforced not only by the Social Summit but also by other global summits, including those held in Rio, Cairo, Beijing and Istanbul.

Given the short time since the Social Summit, it is perhaps unrealistic to expect significant progress toward meeting the goals set out there. Furthermore, the absence of reliable data makes it extremely difficult to measure change. What we should expect, however, is progress in terms of policy changes and institutional reforms associated with the construction of an enabling environment that would facilitate progress.

What emerges is a fairly disturbing picture of initiatives that remain more at the level of agency rhetoric than effective implementation; and patterns of economic growth, liberalization and inequality that continue to obstruct rather than facilitate progress in the field of social development. Furthermore, the political momentum and pressures that are necessary for promoting social development appear relatively weak, as do the institutions that might mobilize and distribute resources more effectively.

This situation partly reflects the conditions

that prevailed just before and immediately after the Social Summit: the triumphalism of neoliberalism, the unprecedentedly high economic growth in Asian economies, the signs of recovery in Africa and Latin America. All these tended to obviate the need for drastic reform of the dominant model. The development experience of the latter half of the 1990s—in particular, the financial crisis that gripped Asia and again threatened Latin America, coupled with heightened poverty and inequality—revealed that several of the assumptions underpinning development strategy at the time of the Social Summit were seriously flawed or overly optimistic.

Since then there has been some reassessment of the role of the state, as well as some recognition of the limits of private capital flows as a panacea for development. There is greater social sensitivity in the discourse of public agencies and private corporations, and there appears to be a growing consensus regarding the types of institutional and policy reforms needed to facilitate social development, as shown by widespread support for initiatives or concepts associated with debt reduction, targeting, democratization, public sector reform, corporate social responsibility, partnerships, participation and empowerment.

But the role of social policy has been largely restricted to targeting specific social groups, or safety-net-type provisioning. Distributive justice and the role of social policies in facilitating sustained economic growth and development have been ignored. So too have basic issues related to the political economy of resource mobilization—that is, the political and institutional arrangements required to generate resources for social development and to ensure that they reach the needy. While the necessity for social protection has increased, resources allocated for this purpose are actually shrinking as a result of declining aid, cuts in government spending and tax avoidance.

The institutional crisis affecting social devel-

opment is particularly evident in relation to the role of the state. Continuing pressures to downsize and control spending have imposed limits on a renewed role for the state in national development. The wave of democratization that held out much hope in the early 1990s has often failed to promote better citizen participation in public policy making, non-violent methods for resolving disputes and respect for human rights. Indeed, the increasingly technocratic style of decision making—where “experts” decide policy—undermines the accountability of state institutions and their responsiveness to citizens’ demands.

Can actors other than the state play a key role in promoting social development, or even substitute for the state? In recent years, there have been some signs that big business is taking steps in this direction, projecting itself as socially and environmentally responsible. It should, however, be recognized that there are limits to the extent to which corporate social responsibility can be enhanced though voluntary initiatives and partnerships, as opposed to stronger forms of regulation and civil society pressure. Although most donors and multilateral agencies now stress the importance of working with and through civil society organizations, political and institutional constraints at international, national and local levels often limit the effectiveness of civil society both in advocacy and service delivery. International development and financial institutions have not fundamentally changed their governance structures to permit greater participation by civil society, while service delivery in the hands of NGOs often remains fragmented and unsustainable. Moreover, as NGOs become more aid-dependent and thus attempt to adapt to the priorities and procedures of donor agencies, there is a danger that their attributes of innovation and experimentation, and their flexible approach to local needs and conditions, are being undermined.

The insistence at the Social Summit that development interventions should be more responsive to people's priorities and concerns has been taken up particularly in relation to women's needs, and sustainable development. Women have certainly gained many hard-won rights, notably in relation to health, but translating these rights into effective policies and programmes has been constrained by public sector reform, cultural forces and women's limited participation in the formal political system. Not only is it difficult to make institutions more responsive to women's needs—those needs themselves are often increasing in contexts where economic liberalization has imposed additional burdens. So-called people-centred approaches are perhaps strongest in the fields of sustainable development and natural resource management. There is a considerable gap, however, between the rhetoric and experience of adjusting from top-down to participatory design and implementation.

The analysis in this report suggests that there has been increasing recognition of the need to rethink the roles and responsibilities of certain institutions—at both national and international levels—and to consider more closely the social effects of economic policies. However, there has been no major rethinking of economic policies themselves, nor any serious attempt to integrate social and economic policy. Social policy remains largely detached from economic policy, or is seen as an add-on intended to mitigate the social costs of economic liberalization and structural adjustment.

Nevertheless, there are signs that the ideological climate for rethinking development policy is more favourable than it has been for years. There is growing political opposition to the social blindness of structural adjustment, while academic inquiry has eroded the theoretical and empirical anchoring of the dominant neoliberal model. Some new perspectives are gaining force. Human rights and “rights-based”

development—emphasizing the primacy of human rights law and people's ability to strengthen their claims on the state—are very much on the agenda.

The idea that development strategy is as much about politics as it is about growth and agency interventions to distribute limited public resources to the poor is to be welcomed, as is the idea that economic and trade rules should be linked to human rights considerations. What remains unclear is who will carry this agenda forward.

What is evident is that globalization faces a crisis of legitimacy—and even the dominant international finance and trade organizations are beginning to question their own prescriptions and models, and to consider some of the critical elements of the Social Summit agenda. This enabling ideological shift is one of the major gains of the latter half of the 1990s. As the Bretton Woods institutions themselves rethink their approach, there is a possibility that the more inclusive social agenda that was sown at Copenhagen will find a more fertile terrain.

A major point that emerges from this report—and is reflected in its title—is that development strategies must reassert human values, human priorities and human agency. The invisible hand of the market may be able to keep the global economy turning. But it takes the human hand to guide it in the most productive direction and to fashion a world that is socially inclusive, transparent and democratically anchored.

Thandika Mkandawire
Director
June 2000

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